

Emaar Properties

Higher Property sales and strong revenue recognition boosted the top line

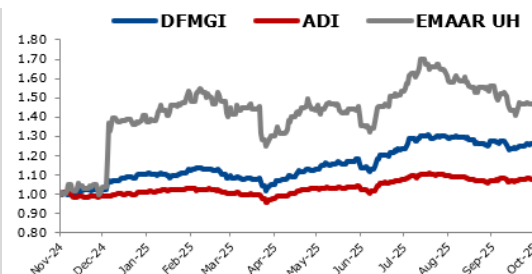
Current Price
AED 13.70

Target Price
AED 18.45

Upside/Downside (%)
+35%

Rating
BUY

- Record backlog of AED 150.3 Bn in 3Q25, led by UAE at AED 130 Bn, with c. 60K units under construction for delivery over the next four years.
- Announced Emaar Hills development, featuring around 40K ultra-luxury units valued at c. AED 100 Bn.
- Successfully launched nine projects across all master plans in the UAE during 9M25.
- AED 1.5 Bn Dubai Mall expansion and Dubai Expo Mall projects underway; targets doubling recurring revenue share by 2030.
- Added three new hotels with 650+ keys and one VEO gym in 9M25 with a pipeline of 23 hotels.



Stock Information

Market Cap (AED, Mn)	121,091.42
Paid Up Capital (Mn)	8,838.79
52 Week High	15.90
52 Week Low	9.16
3M Avg. daily value (AED)	200,824,400

3Q25 Net Profit higher than our estimate

Emaar Properties PJSC (Emaar/the Company) reported a 37.4% YOY increase in net profit to AED 4,373 Mn in 3Q25, higher than our estimate of AED 3,624 Mn. The increase in net profit is primarily attributable to a rise in revenue due to solid growth in property sales, execution of backlog, and higher finance income and share of result from associates & JVs, partially offset by an increase in cost of sales, G&A and selling expenses, tax charge, finance cost, and share of NCI coupled with decline in other income.

3Q25 Result Review (AED, Mn)

Total Assets	174,656
Total Liabilities	75,271
Total Equity	99,385
EBITDA	6,282
Net Profit	4,373

P&L Highlights

Emaar Properties' revenue boosted 41.4% YOY AED 13,723 Mn in 3Q25, mainly driven by a solid rise in UAE Development sales and recognition of backlog, along with robust performance across retail, hospitality, and international operations. Revenue from the sale of residential units increased 54.6% YOY to AED 10,712 Mn in 3Q25, supported by the launch of new projects across the UAE, with the highest property sales in the UAE of AED 52.9 Bn in 9M25. Additionally, the revenue backlog from property sales in the UAE rose to AED 130 Bn as of 3Q25. However, revenue from the sale of Commercial units declined significantly, 15.6% YOY, to AED 306 Mn in 3Q25. The Hospitality segment reported a 12.3% YOY increase in revenue to AED 515 Mn in 3Q25, driven by strong tourism activity and high domestic demand. Additionally, average hotel occupancy across Emaar's UAE properties reached 80% in 9M25. Revenue from leased properties, retail, and related income increased by 6.4% YOY to AED 1,741 Mn in the 3Q25, primarily driven by continued growth in tenant sales and strong occupancy rates across key assets. Emaar's cost of revenue increased from AED 4,133 Mn in 3Q24 to AED 6,302 Mn in 3Q25. This is higher than the growth in revenue owing to a change in the revenue mix. As a result, gross profit rose 32.7% YOY to AED 6,971 Mn in 3Q25. Other operating income increased 5.9% YOY to

Financial Ratios

Dividend Yield (12m)	7.27
Dividend Pay-out (%)	65.40
Price-Earnings Ratio(x)	7.44
Price-to-Book Ratio (x)	1.39
Book Value (AED)	9.94
Return-on Equity (%)	19.53

Stock Performance

5 Days	0.74%
1 Months	-1.44%
3 Months	-6.48%
6 Months	3.79%
1 Year	46.37%
Month to Date (MTD%)	-3.52%
Quarter to Date (QTD%)	4.98%
Year to Date (YTD%)	6.61%

AED 196 Mn in 3Q25, while other operating expenses decreased 15.1% YOY to AED 80 Mn. SG&A expenses increased 14.7% YOY to AED 916 Mn in 3Q25 due to an increase in construction-related costs. Emaar's total EBITDA grew 34.5% YOY to AED 6,282 Mn in 3Q25. However, EBITDA margin declined 244 bps to 47.3% in 3Q25. The Company's operating profit rose 38.1% YOY to AED 5,799 Mn in 3Q25. Depreciation on PPE grew 12.2% YOY to AED 168 Mn in 3Q25, while depreciation on investment properties rose 4.7% YOY to AED 203 Mn. Meanwhile, finance income rose 23.0% YOY to AED 680 Mn in 3Q25, with finance costs also increasing 27.9% YOY to AED 229 Mn in 3Q25. Furthermore, the Company reported a profit from associates of AED 62 Mn in 3Q25 compared to a loss of AED 13 Mn in 3Q24. Other income decreased to AED 8 Mn in 3Q25 compared to AED 111 Mn in 3Q24. Income tax expense increased 20.1% YOY to AED 554 Mn in 3Q25. Additionally, the share of profit attributable to non-controlling interest holders increased 35.5% YOY to AED 1,395 Mn in 3Q25.

Balance Sheet Highlights

The Company's cash and bank balance increased from AED 57.5 Bn in 2Q25 to AED 61.7 Bn in 3Q25. Emaar's total debt, including advances from customers, rose marginally from AED 50.2 Bn in 2Q25 to AED 51.2 Bn in 3Q25. Additionally, the Company generated AED 5.1 Bn in cash flow from operations in 3Q25, compared to AED 9.9 Bn in 2Q25.

Target Price and Rating

We maintain our BUY rating on Emaar Properties with a revised target price of AED 18.45. Emaar delivered strong financial and operational performance in 9M25, building upon the solid performance achieved in 1H25. Emaar's revenue backlog stands at AED 150.3 Bn in 3Q25, out of which UAE development accounts for the majority of the backlog amounting to AED 130 Bn. Emaar's diversified portfolio and strategic focus on quality, customer experience, and sustainability have driven consistent growth across its property development, retail, hospitality, and international businesses. Emaar's UAE property sales rose 10% YOY to AED 52.9 Bn in 9M25 including JVs. Emaar successfully launched three projects under the newly unveiled Grand Polo Club and Resort, one project each under the Dubai Creek Harbour and The Valley in 3Q25, which are 100% owned by the Company. Additionally, the Company also launched four projects with the JV's in 3Q25. Emaar has c. 60K units under construction across the UAE and International development segments, which will also be delivered in the next four years, making the land bank to c. 660 Mn sqft. Emaar also announced the Emaar Hills project, an ultra-luxury residential community, adjacent to Dubai Hills Estate, expected to launch in the next 9 to 12 months. Within Emaar Hills, Dubai Mansions is currently under development, poised to offer an exclusive collection of mansions designed for an elite global clientele upon launch. This property will feature a mix of ultra-luxury villas and apartments, comprising c. 40K units and an overall development size of c. AED 100 Bn. Emaar's international development business recorded sales of AED 6.5 Bn in 9M25 with particularly strong performance in Egypt and India. The revenue backlog for global development is AED 20.3 Bn as at 9M25 with more than 12,600 units under construction, which is anticipated to be recognised in the next 3-4 years. Emaar also launched a new landmark mixed-use masterplan, "Marassi Red Sea", with a land area of c. 110 Mn sqft and estimated investment of EGP 900 Bn in partnership with Sky Tower. Recurring revenue streams, including malls, hospitality, leisure, entertainment, and commercial leasing, continued to deliver stable and growing cash flows, underlining the strength of the Company's diversified business model. Mall assets maintained a healthy average occupancy rate of 98% with a footfall of over 147 Mn visitors in 9M25, while overall hotel occupancy averaged at 80% as of 9M25. The Company invested AED 1.5 Bn for the expansion of Dubai Mall, which is expected to open in 2H28. This expansion features over 240 new luxury stores and F&B outlets, with an expansion towards Grand Drive covering a GLA of 440K sqft. Additionally, Emaar is also expanding the Dubai Expo Mall, which is anticipated to open in 2H27, offering over 190 retail and F&B outlets. This mall provides excellent access & infrastructure to support the high volume of visitors with a GLA of c. 385K sqft. The hospitality segment saw strong performance, supported by the addition of three new hotels comprising over 650 keys and 1 VEO gym as of 9M25. The Company has a healthy pipeline of 23 hotels, with more than 75% under management contracts. Emaar focuses on expanding the recurring revenue portfolio to double the contribution from 2022 by 2030. The Company also plans to deliver over 59.8K residential units between 2025-

2029 in both domestic and international markets. Thus, based on our analysis, we assign a BUY rating on the stock.

Emaar Properties - Relative valuation

(at CMP)	2020	2021	2022	2023	2024	2025F
PE	46.84	29.70	17.85	10.49	9.03	8.37
PB	1.78	1.83	1.87	1.57	1.43	1.34
EV/EBITDA	38.80	16.46	14.73	8.02	6.37	5.82
BVPS	7.754	7.545	7.366	8.794	9.665	10.314
EPS	0.295	0.465	0.773	1.316	1.529	1.650
DPS (in AED)	0.100	0.150	0.250	0.500	1.000	1.000
Dividend yield	0.7%	1.1%	1.8%	3.6%	7.2%	7.2%

FABS Estimates & Co Data

Emaar Properties - P&L

AED mn	3Q24	2Q25	3Q25	3Q25F	Var	YOY Ch	QOQ Ch	2024	2025F	Change
Revenue	9,385	9,736	13,273	10,614	25.1%	41.4%	36.3%	35,505	42,579	19.9%
Cost of revenue	-4,133	-4,331	-6,302	-4,589	37.3%	52.5%	45.5%	-15,124	-19,271	27.4%
Gross profit	5,253	5,405	6,971	6,025	15.7%	32.7%	29.0%	20,381	23,308	14.4%
Other operating income	185	180	196	186	5.2%	5.9%	8.8%	654	724	10.6%
Other operating expenses	-95	-63	-80	-69	16.3%	-15.1%	27.2%	-239	-255	6.7%
Selling, G&A expenses	-799	-748	-916	-838	9.4%	14.7%	22.5%	-3,232	-3,406	5.4%
EBITDA	4,671	4,962	6,282	5,303	18.5%	34.5%	26.6%	19,277	21,632	12.2%
EBIT	4,201	4,370	5,799	4,909	18.1%	38.1%	32.7%	16,136	18,846	16.8%
Depreciation of PPE	-149	-175	-168	-173	-3.1%	12.2%	-4.2%	-625	-682	9.1%
Depreciation of IP	-194	-229	-203	-220	-7.6%	4.7%	-11.2%	-802	-843	5.2%
Finance income	553	697	680	666	2.2%	23.0%	-2.4%	2,102	2,768	31.6%
Finance cost	-179	-226	-229	-233	-1.8%	27.9%	1.0%	-941	-914	-2.8%
Other income	111	67	8	159	-94.7%	-92.4%	-87.5%	1,596	852	-46.7%
Share of associates	-13	82	62	70	-10.8%	NM	-23.9%	6	313	NM
Profit before tax	4,673	4,990	6,322	5,572	13.5%	35.3%	26.7%	18,900	21,864	15.7%
Income tax	-461	-746	-554	-808	-31.5%	20.1%	-25.8%	-1,451	-3,170	NM
Profit for the period	4,212	4,244	5,768	4,764	21.1%	37.0%	35.9%	17,449	18,694	7.1%
Non-controlling interests	-1,029	-873	-1,395	-1,139	22.5%	35.5%	59.8%	-3,935	-4,113	4.5%
Net Profit	3,183	3,371	4,373	3,624	20.7%	37.4%	29.7%	13,514	14,581	7.9%

FABS estimate & Co Data

Emaar Properties - Margins

	3Q24	2Q25	3Q25	YOY Ch	QOQ Ch	2024	2025F	Change
Gross margin	56.0%	55.5%	52.5%	-345	-300	57.4%	54.7%	-266
EBITDA margin	49.8%	51.0%	47.3%	-244	-364	54.3%	50.8%	-349
Operating margin	44.8%	44.9%	43.7%	-107	-119	45.4%	44.3%	-119
Net profit margin	33.9%	34.6%	32.9%	-96	-167	38.1%	34.2%	-382

FABS estimate & Co Data

Key Developments:

- 23 October 2025** – Emaar has introduced Dubai Mansions, a part of the Emaar Hills development, which is an ultra-luxury master-planned community valued at AED 100 Bn. This community will feature 40,000 high-end residences located near Dubai Hills Estate. The project offers exclusive mansions ranging from 10,000 to 20,000 sqft, showcasing a blend of architectural sophistication, bespoke amenities, and lush landscapes. Designed with a focus on wellness, nature, and connectivity, Emaar Hills will feature a championship golf course, premium retail options, and leisure facilities, establishing itself as Dubai's premier lifestyle and investment destination.
- 11 June 2025** – S&P Global Ratings and Moody's have upgraded Emaar Properties' credit ratings, with S&P raising it to BBB+ (Stable) and Moody's to Baa1 (Stable). These upgrades reflect Emaar's strong financial position, record-high revenue backlog of AED 127 Bn, and diverse income sources. Both agencies noted the company's resilient operations in real estate, malls, and hospitality, ample liquidity, and disciplined financial management. The stable outlook signals expectations for continued solid performance and sustained balance sheet strength, reinforcing Emaar's status as a financially resilient developer.

Emaar Properties – Project Launches

Project Name	Units	Project Value (AED Mn)	Launch Period
Rosehill	555	1,381	Jul-25
Bayster by Vida	319	1,330	Jul-25
Selvara 3	138	978	Aug-25
Selvara 4	173	1,197	Aug-25
Montiva	474	1,264	Aug-25
Sera 2	183	564	Aug-25
Chevalia Estate 2	120	1,238	Sep-25
Vindera	578	2,102	Sep-25
Sera 1	203	660	Sep-25

FABS Estimates & Co Data

Valuation:

We use Discounted Free Cash flow (DCF) and Relative Valuation (RV) to value Emaar Properties. We have assigned 70% weight to DCF and 15% each weight to the RV and DDM method.

Valuation Method	Target	Weight	Weighted Value
DCF Method	19.12	70.0%	13.39
Relative Valuation (RV)	20.58	15.0%	3.09
DDM	13.20	15.0%	1.98
Weighted Average Valuation (AED)			18.45
Current market price (AED)			13.70
Upside/Downside (%)			+35%

1) DCF Method:

Emaar Properties is valued using free cash flow to firm. We have discounted the cash flow using the weighted average cost of capital of 9.4%. It is arrived after using cost of equity of 9.6% and cost of debt of 8.7%. Cost of equity is calculated by using 10-year government bond yield of 4.2%, beta of 1.00 and equity risk premium of 4.5%. Government bond yield is calculated after adding Dubai 10-year spread over 10-year US risk free rate. Cost of debt of % is calculated after adjusting a tax rate of 14.5%. Also, assumed a terminal growth rate of 2.0%.

Sum of PV (AED, Mn)	57,546
Terminal value (AED, Mn)	115,445
FV to Common shareholders (AED, Mn)	169,031
No. of share (Mn)	8,839
Current Market Price (AED)	13.70
Fair Value per share (AED)	19.12

DCF Method

(All Figures in AED Mn)	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
NOPAT	16,113	17,761	21,792	22,308	23,436	24,725
D&A	1,621	1,650	1,720	1,771	1,829	1,894
Change in working capital	-4,026	-8,676	-2,251	-7,654	-8,096	-11,165
(-) Capex	-1,270	-1,414	-1,695	-1,793	-1,971	-2,159
Free Cash Flow to Firm (FCFF)	12,438	9,321	19,565	14,632	15,198	13,296
Discounting Factor	0.99	0.90	0.83	0.75	0.69	0.63
Discounted FCFF	3,072¹	8,419	16,151	11,041	10,482	8,381

Source: FAB Securities, ¹Adjusted for partial year

2) Relative Valuation:

We have used local as well as international peers to value Emaar Properties and it is valued using the average value from PB and EV/EBITDA multiple. It is valued at 2026 PB multiple of 1.4x and EV/EBITDA multiple of 10.2x in line with its peers.

PB Valuation

Company	Market (USD Mn)	EV/EBITDA (x)		P/B (x)	
		2025F	2026F	2025F	2026F
Aldar Properties	22,495	8.3	6.9	1.8	1.4
Tecom	5,766	9.8	9.4	2.3	2.1
China Resources Land Limited	74,549	10.6	10.2	0.6	0.6
Arabian Centers	6,706	14.1	11.2	0.7	0.6
Mitsubishi Estate	49,678	16.3	17.1	1.3	1.6
Average		11.8x	11.0x	1.3x	1.3x
Median		10.6x	10.2x	1.3x	1.4x
Max		14.1x	11.2x	1.8x	1.6x
Min		9.8x	9.4x	0.7x	0.6x

Source: FAB Securities

EV/EBITDA Valuation

Company	Market (USD Mn)	EV/EBITDA (x)		P/B (x)	
		2025F	2026F	2025F	2026F
China Overseas Land & Investment Limited	18,286.0	12.0	10.9	0.3	0.3
China Resources Land Limited	25,533.8	10.6	10.2	0.6	0.6
Aldar Properties	19,285.2	8.3	6.9	1.8	1.4
Deyaar Development	1,262.7	6.8	5.0	NA	NA
CK Asset Holdings Limited	17,753	9.0	10.3	0.4	0.3
Average		10.7x	9.9x	0.8x	0.7x
Median		9.8x	10.2x	0.5x	0.5x
Max		11.6x	10.7x	0.9x	0.8x
Min		8.5x	7.7x	0.3x	0.3x

Source: FAB Securities

3) DDM Method:

Emaar Properties pays regular dividends to its shareholders. Thus, we have valued Emaar Properties using the DDM valuation method. The dividend is discounted at the cost of equity of 9.6%.

Sum of PV (AED, Mn)	42,171
Terminal value (AED, Mn)	74,508
FV to Common shareholders (AED, Mn)	116,679
No. of share (Mn)	8,839
Current Market Price (AED)	13.70
Fair Value per share (AED)	13.20

DDM Method

(All Figures in AED Mn)	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Dividend Paid	8,839	8,839	8,839	8,839	8,839	8,839
Total Dividend	8,839	8,839	8,839	8,839	8,839	8,839
Discounting Factor	0.99	0.90	0.82	0.75	0.68	0.62
Present Value of Dividend	8,725	7,965	7,270	6,637	6,058	5,530

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%

FAB Securities Contacts:

Research Analyst

Ahmad Banihani +971-2-6161629 ahmad.banihani@Bankfab.com

Sales & Execution

Abu Dhabi Head Office

Trading Desk +971-2-6161700/1 Online Trading Link
 +971-2-6161777

Institutional Desk +971-4-4245765

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