

Emaar Properties

Current Price	Target Price	Upside/Downside (%)	Rating
AED 16.30	AED 19.25	+18%	BUY

4Q25 Net Profit higher than our estimate

- Emaar Properties reported a 40.5% YOY increase in revenue, reaching AED 16,450 Mn in 4Q25, driven by growth in sales from Residential Units, Commercial Units, increased revenue from the Hospitality segment and revenue from Leased Properties, Retail & Related Income.
- The Company's cost of revenue increased 47.7% YOY to AED 7,329 Mn in 4Q25. This is higher than the growth in revenue, due to the change in revenue mix.
- As a result, gross profit increased 35.1% YOY to AED 9,121 Mn in 4Q25. However, gross profit margin declined from 218 bps YOY to 55.4% in 4Q25, due to lower margin generated from Residential Units and Leased Properties, Retail & Related Income, partially offset by an expansion in margin from Commercial Units and Hospitality segment.
- EBITDA rose 34.2% YOY to AED 8,915 Mn in 4Q25, however, EBITDA margin declined 251 bps YOY to 54.2% in 4Q25.
- The Company's share of profit attributable to non-controlling interest increased 8.5% YOY to AED 1,532 Mn in 4Q25 and income tax charges increased significantly from AED 70 Mn in 4Q24 to AED 1,234 Mn in 4Q25.
- Net profit attributable to equity shareholders rose 23.1% YOY to AED 6,146 Mn in 4Q25, higher than our estimate of AED 4,385 Mn. The growth in net profit is driven by higher revenue, finance income and increased share of profit from associates/JVs, partially offset by higher cost & opex, finance cost and taxes coupled with lower other income.

Earnings Call Summary

- Emaar has over 50,800 units currently under construction (including Emaar Properties and 100% of JVs/JDAs related projects), scheduled for delivery over the next 5-6 years.
- The Company's property sales reached a record AED 80 Bn in 2025, up 15.6% YOY from AED 70 Bn in 2024, reflecting strong execution, robust demand, and the benefits of operating across multiple high-performing business engines.
- The Company's consolidated revenue backlog grew 39% YOY to AED 155 Bn in 2025, with the Emaar development backlog rising 30.8% YOY to AED 134 Bn in 2025, providing strong multi-year earnings visibility supported by healthy margins. The Company expects that backlog trajectory will continue to grow or remain stable unless there is a sustained slowdown in sales.
- Emaar Development was the primary growth engine, delivering 48 residential launches in 2025. Emaar Development generated sales of AED 71.1 Bn in 2025 and revenue rose 44% YOY to AED 28 Bn in 2025. The launches of 48 residential units achieved 90-100% absorption rates alongside increased prices, reflecting strong demand with no pressure on pricing.
- Dubai Mall welcomed over 110 Mn visitors in 2025, with expansion on track for 2H28, while Dubai Square Mall was announced as a next-generation retail destination.
- Dubai's real estate market saw its strongest year in 2025, supported by over 270,000 transactions worth AED 892 Bn in 2025 and the population is likely to surpass 4 Mn in 2025, supporting strong absorption, leasing, and retail demand. Further, Dubai's long-term population target of 5.8 Mn by 2040 is being reached faster than planned, underpinning sustained housing demand.
- The Company acquired 36 Mn sq ft of new land with a gross development value of AED 120 Bn, including plots at Emaar Hills with a 10-15-year monetization horizon and land adjacent to Dubai Creek Harbour with an estimated 7-8-year development horizon.

- The Company indicated that the 2026 sales mix is expected to remain broadly in line with 2025, with villas accounting for roughly one-third (around 40%) of units and apartments comprising two-thirds (around 60%), while Dubai Square Mall will feature c. 2.2 Mn sq. ft. of GLA.
- Emaar Development's residential leasing investments of AED 1.5 Bn per year have already commenced, with recurring income from these assets expected to become visible from 2029-30.
- Emaar Development delivered 6,129 units in 2025, exceeding initial expectations, and further deliveries are expected to ramp up materially from 2026-28.
- The Board of Directors of Emaar properties has proposed a cash dividend of AED 8.8 Bn (100 fils per share) for 2025, subject to shareholder approval at the AGM. Furthermore, dividend policy remains unchanged, with the Company committed to maintaining current payout levels in the near term.
- The Board of Directors of Emaar Development has proposed a cash dividend of AED 4.0 Bn (100 fils per share) for 2025, subject to shareholder approval AGM. Furthermore, the Company's dividends increased in line with profitability, reflecting strong cash generation from escrow releases and front-loaded payment plans.
- The Company plans to deploy c. AED 65 Bn in CAPEX over the next five years, consistent with prior guidance, with a clear focus on disciplined capital allocation, expanding its recurring income portfolio, and executing its master-planned developments.
- The Company expects gross margins of low 50s sustainably over the medium term.

Emaar Properties – P&L

AED Mn	4Q24	3Q25	4Q25	4Q25F	Var	YOY Ch	QOQ Ch
Revenue	11,712	13,273	16,450	10,100	62.9%	40.5%	23.9%
Operating costs	-4,963	-6,302	-7,329	-3,784	93.7%	47.7%	16.3%
Gross profit	6,749	6,971	9,121	6,316	44.4%	35.1%	30.8%
Selling & G&A expenses	-979	-916	-1,212	-987	22.8%	23.8%	32.3%
EBITDA	6,641	6,282	8,915	6,155	44.8%	34.2%	41.9%
EBIT	5,494	5,799	7,622	5,072	50.3%	38.7%	31.4%
Profit before tax	6,473	6,322	8,912	6,329	40.8%	37.7%	41.0%
Income tax expense	-70	-554	-1,234	-672	83.6%	NM	NM
Non-controlling interests	-1,412	-1,395	-1,532	-1,272	20.4%	8.5%	9.8%
Profit attributable to equity	4,991	4,373	6,146	4,385	40.2%	23.1%	40.5%

FABS estimate & Co Data

