

Emaar Properties

Robust development sales and stable recurring income stream boosted the top line

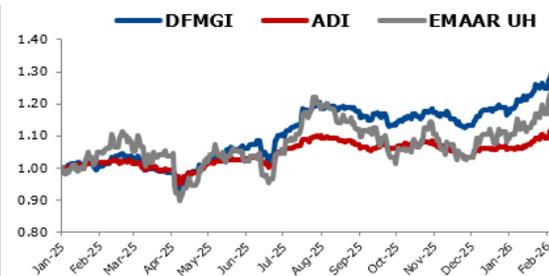
Current Price
AED 16.45

Target Price
AED 21.75

Upside/Downside (%)
+32%

Rating
BUY

- 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.
- 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 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.
- The Board of Directors of Emaar properties has proposed a cash dividend of AED 8.8 Bn (AED 1.0 per share) for 2025, subject to shareholder approval at the AGM.



4Q25 Net Profit higher than our estimate

Emaar Properties PJSC (Emaar/the Company) reported a 23.1% YOY increase in net profit 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 coupled with decline in depreciation of investment properties, partially offset by higher cost of revenue, SG&A expenses, depreciation of PP&E, finance cost, income tax, and share of NCI coupled with lower other operating income and other income.

P&L Highlights

Emaar Properties revenue boosted 40.5% YOY to 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. Revenue from the sale of Residential Units increased 47.6% YOY to AED 12,693 Mn in 4Q25, and revenue from the sale of Commercial Units increased 47.4% YOY to AED 991 Mn in 4Q25. The Hospitality segment reported a 18.2% YOY increase in revenue to AED 713 Mn in 4Q25. Additionally, average hotel occupancy across Emaar's UAE properties reached 82% in 2025. Revenue from Leased Properties, Retail, and Related Income increased 11.8% YOY to AED 2,054 Mn in 4Q25. Emaar'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 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. Other operating income decreased 6.9% YOY to AED 175 Mn in 4Q25, while other operating expenses remained flat at AED 63 Mn in 4Q25.

Stock Information

Market Cap (AED, Mn)	145,398.09
Paid Up Capital (Mn)	8,838.79
52 Week High	16.95
52 Week Low	10.70
3M Avg. daily value (AED)	203,284,600

4Q25 Result Review (AED, Mn)

Total Assets	186,701
Total Liabilities	79,024
Total Equity	107,676
EBITDA	8,915
Net Profit	6,146

Financial Ratios

Dividend Yield (12m)	6.19
Dividend Pay-out (%)	50.22
Price-Earnings Ratio(x)	8.24
Price-to-Book Ratio (x)	1.53
Book Value (AED)	10.67
Return-on Equity (%)	19.59

Stock Performance

5 Days	0.92%
1 Months	12.67%
3 Months	24.62%
6 Months	10.03%
1 Year	15.03%
Month to Date (MTD%)	9.67%
Quarter to Date (QTD%)	17.08%
Year to Date (YTD%)	17.08%

SG&A expenses increased 23.8% YOY to AED 1,212 Mn in 4Q25 mainly due to an increase in marketing expenses and provision for debts and advances. Emaar's total EBITDA grew 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 operating profit rose 38.7% YOY to AED 7,622 Mn in 4Q25. Depreciation on PPE grew 11.9% YOY to AED 183 Mn in 4Q25, while depreciation on investment properties declined 8.9% YOY to AED 216 Mn in 4Q25. Meanwhile, finance income rose 50.6% YOY to AED 788 Mn in 4Q25, with finance costs also increased 30.0% YOY to AED 352 Mn in 4Q25. Furthermore, the Company reported a profit from associates of AED 547 Mn in 4Q25 compared to AED 43 Mn in 4Q24. Other income decreased 55.0% YOY to AED 308 Mn in 4Q25. Income tax expense increased significantly from AED 70 Mn in 4Q24 to AED 1,234 Mn in 4Q25. Additionally, the share of profit attributable to non-controlling interest holders increased 8.5% YOY to AED 1,532 Mn in 4Q25.

Balance Sheet Highlights

The Company's cash and bank balance decreased from AED 61.7 Bn in 3Q25 to AED 52.6 Bn in 4Q25. Total debt, including advances from customers, declined from AED 51.2 Bn in 3Q25 to AED 50.5 Bn in 4Q25. Additionally, the Company generated AED 9.5 Bn in cash flow from operations in 4Q25, compared to AED 5.1 Bn in 3Q25.

Target Price and Rating

We maintain our BUY rating on Emaar Properties with a revised target price of AED 21.75. In 2025, Emaar delivered record year, underpinned by robust property demand across core markets. Group property sales reached c. AED 80 Bn (including JVs), reflecting 15.6% YOY growth in 2025, driven primarily by UAE sales of around AED 71.1 Bn alongside strong traction in international markets, particularly Egypt. This strong sales performance translated into a consolidated revenue backlog of c. AED 155 Bn in 2025, up 39% YOY, with the UAE Development backlog rising c. 30.8% YOY to AED 134 Bn. Management expects backlog to remain stable or grow further, barring a sustained slowdown in sales, providing strong multi-year revenue and earnings visibility supported by healthy margins. Emaar's development engine is underpinned by a sizeable land bank of roughly 618 Mn SQFT (344 Mn SQFT in UAE and 274 Mn for international development) across key countries (excluding Emaar Economic City), enabling a long runway for project launches across both domestic and international markets. As of 4Q25, Emaar has c. 50,800 units under construction, including projects within JVs/JDAs, which are scheduled for delivery over the next five to six years, reinforcing the strength and visibility of its medium-term pipeline. During 2025, the Company launched 48 new residential projects, including Grand Polo Club and Resort, a new phase of The Valley, and Bristol at Emaar Beachfront, further broadening its development portfolio. International operations also delivered a strong performance, with property sales reaching AED 9.3 Bn, representing a 124% YOY increase in 2025, highlighting the scalability of Emaar's platform beyond the UAE. In addition, the Group strengthened long-term growth optionality through the acquisition of 36 Mn SQFT of new land with a gross development value of c. AED 120 Bn, including plots at Emaar Hills and land adjacent to Dubai Creek Harbour. Emaar's malls and retail platform remains a core pillar, with around 10.6 Mn SQFT of GLA in Dubai and over 13 Mn SQFT globally, anchored by The Dubai Mall. In 2025, the portfolio recorded footfall of over 200 Mn visitors, with The Dubai Mall alone attracting more than 110 Mn visitors and maintaining near-full occupancy. Emaar's malls portfolio operates with an average occupancy rate of c. 98% in 2025, supported by strong footfall and tenant demand. Looking ahead, Emaar is set to further scale its retail platform through a number of flagship developments. The Dubai Mall expansion entails an investment of c. AED 1.5 Bn and will add around 440K SQFT of GLA, alongside more than 240 new luxury retail and F&B outlets, with completion targeted for 2H28. In parallel, Dubai Square, a next-generation regional mall at Dubai Creek Harbour, is expected to open in around three years. In addition, Dubai Expo Mall, a regional shopping destination with c. 385K SQFT of GLA, is scheduled to open in 2H27, catering to the rapidly growing Dubai South catchment. The hospitality portfolio also remains resilient, with UAE hotel occupancy at c. 82% in 2025, alongside the addition of three new hotels with 750+ keys during the year. Overall, the Group operates 41 hotels with over 10,000 keys and maintains a pipeline of 23 hotels, more than three-quarters under management contracts, supporting an asset-light expansion strategy. Looking ahead, management expects the 2026 sales mix to remain broadly in line with 2025, with villas accounting for c. 40% and apartments c. 60% of units sold, and guides for sustainable gross margins in the low-50% range over the medium term. For 2025, Emaar proposed a cash dividend of AED 8.8 Bn (AED

1.0 per share), with management reaffirming commitment to maintain current payout levels in the near term. Thus, based on our analysis, we assign a BUY rating on the stock.

Emaar Properties - Relative valuation

(at CMP)	2021	2022	2023	2024	2025	2026F
PE	35.40	21.28	12.50	10.76	8.26	7.21
PB	2.18	2.11	1.87	1.70	1.54	1.38
EV/EBITDA	19.24	17.24	9.49	8.18	5.79	5.48
BVPS	7.545	7.806	8.794	9.665	10.666	11.947
EPS	0.465	0.773	1.316	1.529	1.991	2.282
DPS (in AED)	0.150	0.250	0.500	1.000	1.000	1.000
Dividend yield	0.9%	1.5%	3.0%	6.1%	6.1%	6.1%

FABS Estimates & Co Data

Emaar Properties - P&L

AED Mn	4Q24	3Q25	4Q25	4Q25F	Var	YOY Ch	QOQ Ch	2024	2025	Change
Revenue	11,712	13,273	16,450	10,100	62.9%	40.5%	23.9%	35,505	49,557	39.6%
Cost of revenue	-4,963	-6,302	-7,329	-3,784	93.7%	47.7%	16.3%	-15,124	-22,330	47.6%
Gross profit	6,749	6,971	9,121	6,316	44.4%	35.1%	30.8%	20,381	27,227	33.6%
Other operating income	188	196	175	214	-18.1%	-6.9%	-10.5%	654	696	6.4%
Other operating expenses	-63	-80	-63	-77	-17.4%	0.1%	-20.9%	-239	-246	2.7%
Selling, G&A expenses	-979	-916	-1,212	-987	22.8%	23.8%	32.3%	-3,232	-3,595	11.2%
EBITDA	6,641	6,282	8,915	6,155	44.8%	34.2%	41.9%	19,277	25,561	32.6%
EBIT	5,494	5,799	7,622	5,072	50.3%	38.7%	31.4%	16,136	22,552	39.8%
Depreciation of PPE	-163	-168	-183	-178	2.6%	11.9%	9.1%	-625	-686	9.8%
Depreciation of IP	-238	-203	-216	-216	0.2%	-8.9%	6.5%	-802	-844	5.2%
Finance income	523	680	788	784	0.5%	50.6%	15.8%	2,102	2,813	33.8%
Finance cost	-271	-229	-352	-238	47.8%	30.0%	53.8%	-941	-1,028	9.3%
Other income	683	8	308	653	-52.9%	-55.0%	NM	1,596	519	-67.5%
Share of associates	43	62	547	59	NM	NM	NM	6	801	NM
Profit before tax	6,473	6,322	8,912	6,329	40.8%	37.7%	41.0%	18,900	25,656	35.7%
Income tax	-70	-554	-1,234	-672	83.6%	NM	NM	-1,451	-3,331	NM
Profit for the period	6,403	5,768	7,678	5,657	35.7%	19.9%	33.1%	17,449	22,326	27.9%
Non-controlling interests	-1,412	-1,395	-1,532	-1,272	20.4%	8.5%	9.8%	-3,935	-4,726	20.1%
Net Profit	4,991	4,373	6,146	4,385	40.2%	23.1%	40.5%	13,514	17,599	30.2%

FABS estimate & Co Data

Emaar Properties - Margins

	4Q24	3Q25	4Q25	YOY Ch	QOQ Ch	2024	2025	Change
Gross margin	57.6%	52.5%	55.4%	-218	293	57.4%	54.9%	-246
EBITDA margin	56.7%	47.3%	54.2%	-251	686	54.3%	51.6%	-272
Operating margin	46.9%	43.7%	46.3%	-58	264	45.4%	45.5%	6
Net profit margin	42.6%	32.9%	37.4%	-525	441	38.1%	35.5%	-255

FABS estimate & Co Data

Key Developments:

- 05 December 2025:** Emaar Properties has unveiled Dubai Square, the world's first drive-through mall, as the flagship destination of the AED 180 Bn Dubai Creek Harbour, spanning 2.6 Mn sq m and scheduled to open within three years in Dubai.
- 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
Mareva	311	6,070	Dec-25
Mareva 2	346	6,473	Dec-25
Equestra	361	1,712	Nov-25
Equiterra	547	2,466	Nov-25
Equiterra 2	384	1,501	Nov-25
Lyvia	478	1,363	Oct-25
Creek Haven	273	820	Nov-25
Creek Bay	219	749	Nov-25
Ovelle	132	1,203	Nov-25
Avelia	139	1,305	Dec-25
Avarra by Palace	688	3,028	Nov-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% to the RV and DDM method.

Valuation Method	Target	Weight	Weighted Value
DCF Method	22.61	70.0%	15.82
Relative Valuation (RV)	26.53	15.0%	3.98
DDM	12.96	15.0%	1.94
Weighted Average Valuation (AED)			21.75
Current market price (AED)			16.45
Upside/Downside (%)			+32%

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 9.2%. It is arrived after using cost of equity of 9.3% and cost of debt of 8.7%. Cost of equity is calculated by using 10-year government bond yield of 5.1%, beta of 1.00 and equity risk premium of 4.2%. 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 13.0%. Also, assumed a terminal growth rate of 2.0%.

Sum of PV (AED, Mn)	84,582
Terminal value (AED, Mn)	128,680
FV to Common shareholders (AED, Mn)	199,811
No. of share (Mn)	8,839
Current Market Price (AED)	16.45
Fair Value per share (AED)	22.61

DCF Method

(All Figures in AED Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
NOPAT	21,729	23,490	22,233	22,383	22,763
D&A	1,704	1,784	1,843	1,913	1,995
Change in working capital	12,412	1,482	-5,266	-7,743	-8,210
(-) Capex	-1,905	-2,066	-2,101	-2,328	-2,609
Free Cash Flow to Firm (FCFF)	33,940	24,690	16,710	14,225	13,939
Discounting Factor	0.93	0.85	0.78	0.71	0.65
Discounted FCFF	31,443	20,948	12,984	10,123	9,084

Source: FAB Securities

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 P/B multiple of 1.8x and EV/EBITDA multiple of 10.9x in line with its peers. We apply two sets of peers to reflect the company's diversified business model: EV/EBITDA is benchmarked against development- focused peers, while P/B is derived using a broader peer set including companies with significant investment operations, where book value is a more relevant valuation anchor.

P/B Valuation

Company	Market (USD Mn)	EV/EBITDA (x)		P/B (x)	
		2026F	2027F	2026F	2027F
Aldar Properties	24,615	7.9	7.2	1.8	1.5
Tecom	5,445	10.4	10.1	2.2	2.2
China Resources Land Limited	28,973	10.9	10.4	0.7	0.6
Arabian Centers	2,406	13.5	10.3	0.6	0.5
Mitsubishi Estate	39,957	22.0	20.6	2.3	2.3
Average		12.9x	11.7x	1.5x	1.4x
Median		10.9x	10.3x	1.8x	1.5x
Max		13.5x	10.4x	2.2x	2.2x
Min		10.4x	10.1x	0.7x	0.6x

Source: FAB Securities

EV/EBITDA Valuation

Company	Market (USD Mn)	EV/EBITDA (x)		P/B (x)	
		2026F	2027F	2026F	2026F
China Overseas Land & Investment Limited	20,288	12.4	12.1	0.4	0.3
China Resources Land Limited	28,973	10.9	10.4	0.7	0.6
Aldar Properties	24,615	7.9	7.2	1.8	1.5
Deyaar Development	1,263	4.3	NA	NA	NA
CK Asset Holdings Limited	21,123	11.0	10.5	0.4	0.4
Average		10.6x	11.2x	0.8x	0.7x
Median		10.9x	10.5x	0.7x	0.7x
Max		12.1x	12.1x	0.8x	0.8x
Min		8.7x	10.4x	0.5x	0.5x

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 9.3%.

Sum of PV (AED, Mn)	34,487
Terminal value (AED, Mn)	80,037
FV to Common shareholders (AED, Mn)	114,523
No. of share (Mn)	8,839
Current Market Price (AED)	16.45
Fair Value per share (AED)	12.96

DDM Method

(All Figures in AED Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Dividend Paid	8,839	8,839	8,839	8,839	8,839
Total Dividend	8,839	8,839	8,839	8,839	8,839
Discounting Factor	0.92	0.85	0.77	0.71	0.65
Present Value of Dividend	8,175	7,480	6,843	6,261	5,728

Source: FAB Securities

