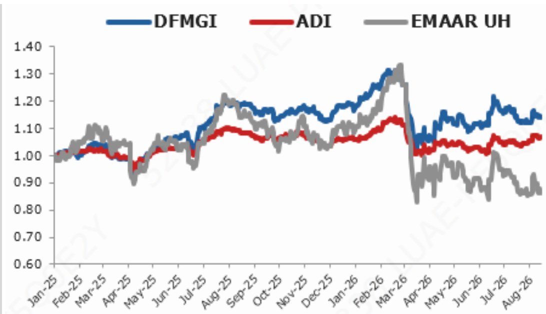
Emaar Properties

Top-line expansion and healthy gross profit growth supported earnings.

Current Price	Target Price	Upside/Downside (%)	Rating
AED 11.08	AED 17.00	+53%	BUY

- Revenue backlog grew to AED 164.9 Bn in 1H26, with Emaar development backlog rising to AED 135.7 Bn in 1H26.
- Emaar Properties has c. 67,100 units under development, with 92% of launched units sold across six key countries.
- Emaar Development launched 11 new projects in 1H26 and announced an AED 200 Bn master plan.
- Plans to invest around AED 7.3 Bn over the next five years in land, malls, residential assets and international acquisitions, funded entirely through its own balance sheet.
- Dubai Expo Mall is expected to feature 190+ retail and F&B outlets, 1,000+ parking spaces and 385k sq. ft. of GLA, with opening expected in 2H27.



Stock Information	
Market Cap (AED, Mn)	97,580.24
Paid Up Capital (Mn)	8,838.79
52 Week High	17.25
52 Week Low	10.15
3M Avg. daily value (AED)	254,821,700

2Q26 Result Review (AED, Mn)	
Total Assets	192,985
Total Liabilities	84,102
Total Equity	108,883
EBITDA	5,631
Net Profit	3,673

Financial Ratios	
Dividend Yield (12m)	9.03
Dividend Pay-out (%)	50.22
Price-Earnings Ratio(x)	5.09
Price-to-Book Ratio (x)	1.04
Book Value (AED)	10.62
Return-on Equity (%)	21.65

Stock Performance	
5 Days	-1.43%
1 Months	-1.08%
3 Months	-5.32%
6 Months	-32.48%
1 Year	-24.64%
Month to Date (MTD%)	0.36%
Quarter to Date (QTD%)	-7.38%
Year to Date (YTD%)	-21.42%

2Q26 Net Profit lower than our estimate

Emaar Properties PJSC (Emaar/the Company) reported a 9.0% YOY increase in net profit to AED 3,673 Mn in 2Q26, lower than our estimate of AED 4,328 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, other operating expenses, SG&A expenses, depreciation of PP&E, finance cost, income tax, and share of NCI coupled with negative other income.

P&L Highlights

Emaar Properties revenue grew 18.2% YOY to AED 11,510 Mn in 2Q26, supported by strong growth in Residential Unit sales and higher Commercial Unit sales. Revenue from Residential Units rose 30.5% YOY to AED 8,940 Mn in 2Q26, while Commercial Unit revenue increased 3.3% YOY to AED 379 Mn in 2Q26. The Hospitality segment reported a 39.0% YOY decrease in revenue to AED 320 Mn in 2Q26. Additionally, average hotel occupancy across Emaar's UAE properties stood at 47% in 1H26. Revenue from Leased Properties, Retail, and Related Income decreased 6.1% YOY to AED 1,870 Mn in 2Q26. Emaar's cost of revenue increased 17.4% YOY to AED 5,084 Mn in 2Q26. As a result, gross profit increased 18.9% YOY to AED 6,426 Mn, with gross profit margin increasing 31 bps YOY to 55.8% in 2Q26. Other operating income decreased 3.7% YOY to AED 173 Mn in 2Q26, while other operating expenses increased 4.8% YOY to AED 66 Mn in 2Q26. Selling, G&A expenses increased 38.4% YOY to AED 1,036 Mn in 2Q26, mainly due to higher marketing expenses, provision for debts & advances and donations. Emaar's EBITDA grew 13.5% YOY to AED 5,631 Mn, while EBITDA margin declined 205 bps YOY to 48.9% in 2Q26. The Company's EBIT increased 13.6% YOY to AED 4,962 Mn in 2Q26. Depreciation of PPE increased 3.2% YOY to AED 181 Mn, while depreciation of investment properties declined 4.0% YOY to AED 220 Mn. Meanwhile, finance income increased 6.6% YOY to AED 743 Mn, while finance costs rose 9.2% YOY to AED 247 Mn. The Company reported other expense of AED 195 Mn in 2Q26, compared to other income of AED 67 Mn in 2Q25. Furthermore, share of profit from associates increased to AED 289 Mn in 2Q26 from AED 82 Mn in 2Q25. Provisions and impairment stood at AED 135 Mn in 2Q26, compared to nil in 2Q25. Income tax expense increased 9.3% YOY to AED 815 Mn in 2Q26. Additionally, profit attributable to non-controlling interests increased 21.9% YOY to AED 1,064 Mn in 2Q26.

Balance Sheet Highlights

The Company's cash and bank balance decreased from AED 55.5 Bn in 1Q26 to AED 51.4 Bn in 2Q26. Total liabilities, decreased from AED 91.7 Bn in 1Q26 to AED 84.1 Bn in 2Q26. Additionally, the Company generated AED 11.6 Bn in cash flow from operations in 1H26, compared to AED 18.9 Bn in 1H25. Debt increased from AED 9.3 Mn in 1Q26 to AED 9.4 Mn in 2Q26.

Target Price and Rating

We maintain our BUY rating on Emaar Properties with a revised target price of AED 17.00. Emaar Properties recorded property sales of c. AED 26.6 Bn in 1H26, reflecting a 42% YOY decline, primarily driven by UAE property sales of around AED 22.4 Bn. Revenue backlog stood at c. AED 164.9 Bn in 1H26, with UAE Development backlog reaching AED 135.7 Bn, providing strong revenue visibility over the next 4–5 years and supporting sustained earnings growth through continued project execution. Average ticket size declined to AED 3–4 Mn in 2Q26, driven by a higher mix of smaller apartments at Emaar South, while villa prices remained at around AED 5–5.5 Mn. As of 2Q26, Emaar had c. 67,100 units under development, with 92% of launched units sold across six key countries, while Emaar Malls maintained 98% occupancy. Emaar maintained a diversified growth platform in 1H26, supported by c. 316 Mn sq. ft. UAE land bank and c. 273 Mn sq. ft. international land bank across six key markets, while its recurring businesses included 13+ Mn sq. ft. of mall GLA with 215+ Mn visitor footfall, 41 hotels with 10,000+ keys and 12+ leisure destinations. Emaar Development generated AED 17.7 Bn in revenue in 1H26, with apartments accounting for 59.2%, villas/townhouses for 40.3%, and plots & commercial for 0.5%, while customer defaults remained below 1% of sales value. Emaar's international development business generated AED 4.2 Bn in property sales in 1H26, contributing around 4.6% of Emaar Properties revenue, with 1,706 units delivered and 3,039 units sold. The pipeline includes 15,659 units under development and 20,486 units to be developed, with 2,392 units planned for completion in 2H26 and 2,716 units in 2027. Emaar Malls maintained a well-diversified retail portfolio, spanning 10.6 Mn sq. ft. of GLA, anchored by Dubai Mall at 4.97 Mn sq. ft., Dubai Hills Mall at 2.02 Mn sq. ft. and Other Centres at 2.42 Mn sq. ft. Short lease periods, a diversified tenant base and strong leasing demand continue to support pricing power. Emaar Properties is investing AED 1.5 Bn in the Dubai Mall expansion, adding 240+ luxury retail and F&B outlets and 440K sq. ft. of additional GLA, with completion expected in 2H28. Dubai Square in Dubai Creek Harbour is being developed as a next-generation retail and lifestyle destination, while Dubai Expo Mall is expected to feature 190+ retail and F&B outlets, 1,000+ parking spaces and 385K sq. ft. of GLA, with opening expected in 2H27. Emaar Development launched 11 new projects in 1H26 and announced an AED 200 Bn master plan, further strengthening its long-term development pipeline. The Company continues to maintain disciplined launch activity and construction across its master-plan communities and plans to invest around AED 7.3 Bn over the next five years in land, malls, residential assets and international acquisitions, funded through its balance sheet. The Company expects sales to normalize following the recent strong growth, with the seasonally slower summer period weighing on activity, while visibility is expected to improve by September-October as trends across hospitality, malls and real estate strengthen. The regional conflict slowed property sales from March as buyers became cautious. However, lower sales were mainly due to fewer new launches, while existing project revenue remained unaffected. The Company reiterated its annual dividend policy, with no plans to introduce interim dividends, and confirmed that this approach will remain unchanged going forward. Emaar Properties remains focused on converting its AED 165 Bn backlog into profitable growth through disciplined launches, timely project execution and selective investments aimed at creating long-term value. 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	24.06	14.46	8.50	7.31	5.61	5.40
PB	1.48	1.43	1.27	1.16	1.05	0.95
EV/EBITDA	13.71	12.25	6.58	5.72	4.34	4.32
BVPS	7.545	7.806	8.794	9.665	10.666	11.734
EPS	0.465	0.773	1.316	1.529	1.991	2.069
DPS (AED)	0.150	0.250	0.500	1.000	1.000	1.000
Dividend yield	1.3%	2.2%	4.5%	9.0%	9.0%	9.0%

FABS Estimates & Co Data

Emaar Properties -P&L

AED Mn	2Q25	1Q26	2Q26	2Q26F	Var	YOY Ch	QOQ Ch	2025	2026F	Change
Revenue	9,736	12,398	11,510	12,339	-6.7%	18.2%	-7.2%	49,557	52,559	6.1%
Cost of revenue	-4,331	-5,445	-5,084	-5,560	-8.6%	17.4%	-6.6%	-22,330	-24,023	7.6%
Gross profit	**5,405**	**6,953**	**6,426**	**6,779**	**-5.2%**	**18.9%**	**-7.6%**	**27,227**	**28,536**	**4.8%**
Other operating income	180	156	173	173	0.3%	-3.7%	10.8%	696	736	5.8%
Other operating expenses	-63	-43	-66	-49	34.0%	4.8%	NM	-246	-263	6.9%
Selling, G&A expenses	-748	-882	-1,036	-962	7.6%	38.4%	17.5%	-3,595	-4,047	12.6%
EBITDA	**4,962**	**7,239**	**5,631**	**5,940**	**-5.2%**	**13.5%**	**-22.2%**	**25,561**	**27,200**	**6.4%**
EBIT	**4,370**	**5,730**	**4,962**	**5,501**	**-9.8%**	**13.6%**	**-13.4%**	**22,552**	**23,057**	**2.2%**
Depreciation of PPE	-175	-237	-181	-218	-17.3%	3.2%	-23.7%	-686	-891	29.9%
Depreciation of IP	-229	-219	-220	-220	-0.3%	-4.0%	0.5%	-844	-879	4.2%
Finance income	697	719	743	777	-4.4%	6.6%	3.3%	2,813	3,101	10.3%
Finance cost	-226	-217	-247	-221	12.0%	9.2%	13.7%	-1,028	-879	-14.5%
Other income	67	469	-195	185	NM	NM	NM	519	657	26.5%
Share of associates	82	546	289	246	17.2%	NM	-47.1%	801	1,482	85.0%
Provisions & Impairments	0	0	-135	0	NA	NM	NM	0	-135	NM
Profit before tax	**4,990**	**7,246**	**5,552**	**6,489**	**-14.5%**	**11.3%**	**-23.4%**	**25,656**	**27,417**	**6.9%**
Income tax	-746	-834	-815	-941	-13.4%	9.3%	-2.2%	-3,331	-3,975	19.4%
Profit for the period	**4,244**	**6,412**	**4,737**	**5,549**	**-14.6%**	**11.6%**	**-26.1%**	**22,326**	**23,441**	**5.0%**
Non-controlling interests	-873	-1,415	-1,064	-1,221	-12.8%	21.9%	-24.8%	-4,726	-5,157	9.1%
Net Profit	**3,371**	**4,997**	**3,673**	**4,328**	**-15.1%**	**9.0%**	**-26.5%**	**17,599**	**18,284**	**3.9%**

FABS estimate & Co Data

Emaar Properties - Margins

	2Q25	1Q26	2Q26	YOY Ch	QOQ Ch	2025	2026F	Change
Gross Profit	55.5%	56.1%	55.8%	31	-25	54.9%	54.3%	-65
EBITDA	51.0%	58.4%	48.9%	-205	-947	51.6%	51.8%	+17
Operating Profit	44.9%	46.2%	43.1%	-177	-310	45.5%	43.9%	-164
Net profit	34.6%	40.3%	31.9%	-271	-840	35.5%	34.8%	-72

FABS estimate & Co Data

Key Developments:

- **11 May 2026:** Dubai Holding became Emaar Properties' largest shareholder after acquiring a 22.27% stake from Investment Corporation of Dubai, raising its total ownership to 29.73%.
- **11 June 2026:** Emaar announced an AED 200 Bn masterplan in Dubai, featuring over 4.5 Mn sq. m. of built-up area and designed to accommodate nearly 150,000 residents across residential, commercial, retail, hospitality and cultural developments.

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

UAE DEVELOPMENT: LAND BANK DETAILS

Project Name	Gross Land Area (Mn sq. ft)
The Heights Country Club & Wellness	59.8
Dubai Creek[1]	50.9
The Valley Garden	48.2
The Oasis - EP & ED[3]	34.5
Grand Polo Club & Resort	31.0
Ras Al Khor Plot	2.4
Address Al Marjan Island	0.4
Emaar Beachfront	0.1
UAE Wholly Owned	**227.3**
Expo Living	1.7
Dubai Estate[4]	33.4
Emaar South & Others	24.7
Dubai Hills	21.7
Rashid Yachts & Marina[2]	7.6
Total UAE Available Land Bank	**316.4**

FABS Estimates & Co Data

***Note**: [1] Emaar Properties PJSC has fully acquired Dubai Creek Harbour in December 2022 from JDA partner; [2]Rashid Yachts & Marina, formerly Mina Rashid, and 'Address Marjan Island', formerly 'Ras Al Khaimah'; [3] Includes ~27.8 Mn sq. ft. land under Emaar Properties PJSC and ~6.7 Mn sq. ft. land under Emaar Development PJSC; [4]Dubai Estate, formerly Emaar Estate.*

UAE DEVELOPMENT: EXPECTED DELIVERY SCHEDULE

Project Name	Total Delivered until 2026	Under Development	2026	2027	2028	2029	2030	2031
Downtown[1]	21,746	1,132	35	-	1,097	-	-	-
Dubai Creek Harbour[2]	11,959	7,673	806	1,901	755	2,856	1,355	-
Emaar Beachfront	3,612	2,261	-	697	1,337	860	227	-
Dubai Marina	5,298	666	-	440	-	-	226	-
Arabian Ranches	4,360	-	-	-	-	-	-	-
Arabian Ranches II	1,665	-	-	-	-	-	-	-
Arabian Ranches III	3,067	1,152	1,152	-	-	-	-	-
The Valley	1,948	6,668	406	1,816	2,736	-	850	-
Emirates Hills	14,968	277	277	-	-	2,502	-	-
Emaar Towers	168	-	-	-	-	-	-	-
Dubai Hills Estate	11,450	9,040	996	3,326	2,216	659	-	-
Umm Al Quwain	277	-	-	-	-	38	-	-
Rashid Yachts & Marina[3]	282	4,290	521	789	1,266	-	1,055	-
The Oasis - EP	-	671	-	380	253	1,013	-	-
Address Marjan Island	-	1,184	-	-	1,184	3,101	-	-
The Oasis - ED	-	1,670	-	-	-	-	657	-
Grand Polo Club and Resort	-	3,101	-	-	-	-	-	-
Business Bay	-	688	-	-	-	-	-	688
The Heights	-	1,263	-	-	-	-	1,263	-
A - Emaar Properties (Consolidated)	**80,800**	**41,736**	**4,193**	**9,349**	**10,844**	**11,029**	**5,633**	**688**
Emaar South	3,456	5,569	-	381	2,546	1,620	1,022	-
Zabeel Square	-	1,748	-	-	-	1,748	-	-
Expo Living	-	2,388	-	-	-	1,004	1,384	-
B - Joint Ventures	**3,456**	**9,705**	**0**	**381**	**2,546**	**4,372**	**2,406**	**0**
Total (A + B)	**84,256**	**51,441**	**4,193**	**9,730**	**13,390**	**15,401**	**8,039**	**688**

FABS Estimates & Co Data

Note: *[1]Downtown includes Burj Royale Project (Old Town LLC) where Group's share is 61.25%; [2]Emaar Properties PJSC has fully acquired Dubai Creek Harbour in December 2022 from JDA partner; [3]'Rashid Yachts & Marina', formerly 'Mina Rashid'.*

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	17.42	70.0%	12.20
Relative Valuation (RV)	19.34	15.0%	2.90
DDM	12.70	15.0%	1.91
Weighted Average Valuation (AED)			**17.00**
Current market price (AED)			11.08
Upside/Downside (%)			+53%

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 9.3%. It arrived after using cost of equity of 9.5% and cost of debt of 7.6%. Cost of equity is calculated by using 10-year government bond yield of 5.2%, beta of 1.00 and equity risk premium of 4.3%. 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)	82,022
Terminal value (AED, Mn)	89,161
FV to Common shareholders (AED, Mn)	154,000
No. of share (Mn)	8,839
Current Market Price (AED)	11.08
Fair Value per share (AED)	**17.42**

DCF Method

(All Figures in AED Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
NOPAT	19,713	22,531	29,883	25,714	23,224
D&A	1,870	1,775	1,838	1,916	1,992
Change in working capital	2,744	540	15,492	-14,016	-13,305
(-) Capex	-1,688	-1,885	-2,535	-2,471	-2,409
Free Cash Flow to Firm (FCFF)	**22,640**	**22,961**	**44,679**	**11,142**	**9,504**
Discounting Factor	0.97	0.88	0.81	0.74	0.68
Discounted FCFF	**10,940**	**20,295**	**36,121**	**8,239**	**6,428**

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 PB multiple of 0.7x and EV/EBITDA multiple of 10.7x 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.

PB Valuation

Company	Market	EV/EBITDA (x)		P/B (x)	
	(USD Mn)	2026F	2027F	2026F	2027F
Aldar Properties	16,698	6.8	5.8	1.3	1.1
Tecom	4,683	12.1	11.2	0.7	0.6
China Resources Land Limited	29,869	10.9	10.4	0.7	0.6
Arabian Centers	2,023	16.4	11.5	0.5	0.4
Mitsubishi Estate	29,392	14.6	13.8	1.7	1.6
Average		**12.2x**	**10.6x**	**1.0x**	**0.9x**
Median		**12.1x**	**11.2x**	**0.7x**	**0.6x**
Max		**14.6x**	**11.5x**	**1.3x**	**1.1x**
Min		**10.9x**	**10.4x**	**0.7x**	**0.6x**

Source: FAB Securities

EV/EBITDA Valuation

Company	Market	EV/EBITDA (x)		P/B (x)	
	(USD Mn)	2026F	2027F	2026F	2026F
China Overseas Land & Investment Limited	18,430	15.9	14.9	10.2	9.8
China Resources Land Limited	29,869	12.1	11.2	9.1	8.6
Aldar Properties	16,698	6.8	5.8	7.6	6.3
Deyaar Development	889	2.4	2.0	6.0	5.2
CK Asset Holdings Limited	20,878	9.2	10.4	10.5	12.0
Dubai Investment	3,320	17.3	16.0	20.5	19.1
Average		**10.6x**	**10.1x**	**10.7x**	**10.2x**
Median		**10.7x**	**10.8x**	**9.7x**	**9.2x**
Max		**14.9x**	**14.0x**	**10.5x**	**11.5x**
Min		**7.4x**	**7.0x**	**8.0x**	**6.9x**

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 9.5%.

Sum of PV (AED, Mn)	31,600
Terminal value (AED, Mn)	80,693
FV to Common shareholders (AED, Mn)	**112,293**
No. of share (Mn)	8,839
Current Market Price (AED)	11.08
Fair Value per share (AED)	**12.70**

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	*0.97*	*0.88*	*0.80*	*0.74*	*0.67*
Present Value of Dividend	**4,265**	**7,790**	**7,114**	**6,497**	**5,933**

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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