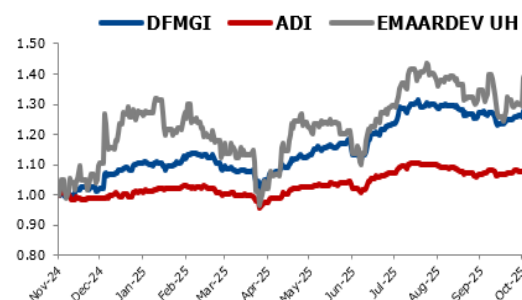


Emaar Development (EMAARDEV)

Strong project execution and operational efficiencies fuelled bottom-line growth

Current Price	Target Price	Upside/Downside (%)	Rating
AED 14.95	AED 17.25	+15.4%	BUY

- Property sales rose 10% YOY to AED 52.9 Bn in 9M25, supported by the launch of 33 new projects, driving sales backlog up 44% YOY to AED 120.4 Bn.
- EMAARDEV revenue grew substantially from AED 5,140 Mn in 3Q24 to AED 7,714 Mn in 3Q25.
- Maintained a strong balance sheet with AED 35.1 Bn cash (as of 3Q25), negligible debt, and a net cash position, ensuring high financial flexibility.
- Since inception, Emaar Development has delivered over 78,900 residential units across the UAE.
- Large UAE land bank of 316 Mn sqft, including the newly acquired 2.4 Mn sqft Ras Al Khor plot in 2025 to strengthen long-term development prospects.



3Q25 Net Profit higher than our estimate

Emaar Development PJSC (EMAARDEV/The Company) reported a 57.1% YOY increase in net profit attributable to equity holders to AED 3,250 Mn in 3Q25, higher than our projected estimate of AED 2,311 Mn. The growth in net profit is primarily driven by a substantial rise in revenue due to strong project execution and operational efficiencies, coupled with an increase in net finance income, other income, and share of results of joint ventures, partially offset by a rise in costs of revenue, SG&A expenses, and tax charges, along with a higher contribution to NCI.

P&L Highlights

Emaar Development's revenue surged 50.1% YOY to AED 7,714 Mn in 3Q25, primarily due to the recognition of revenue for the bookings of properties done in the previous period. Revenue from the sale of residential units rose substantially from AED 4,651 Mn in 3Q24 to AED 7,311 Mn in 3Q25, while revenue from commercial unit sales, plots of land, and development services fell from AED 489 Mn in 3Q24 to AED 403 Mn in 3Q25. The Company's cost of revenue rose substantially from AED 2,202 Mn in 3Q24 to AED 3,356 Mn in 3Q25. As a result, gross profit rose sharply 48.3% YOY to AED 4,358 Mn in 3Q25, while gross margins contracted from 57.2% in 3Q24 to 56.5% in 3Q25. Selling and general expenses rose 41.0% YOY to AED 569 Mn in 3Q25. Operating profit surged by 49.5% YOY to AED 3,790 Mn in 3Q25. Operating margin contracted 20 bps YOY to 49.1% in 3Q25. Moreover, EBITDA rose sharply 51.7% YOY to AED 3,970 Mn in 3Q25. EBITDA margin improved 54 bps YOY to 51.5% in 3Q25. Finance income increased 2.8% YOY to AED 365 Mn in 3Q25, while finance costs strongly declined 38.7% YOY to AED 52 Mn in 3Q25. Other income increased significantly from AED 38 Mn in 3Q24 to AED 67 Mn in 3Q25.

Stock Information

Market Cap (AED, mn)	59,800.00
Paid Up Capital (mn)	4,000.00
52 Week High	15.60
52 Week Low	9.86
3M Avg. daily value (AED)	37,782,380

3Q25 Result Review (AED, Mn)

Total Assets	72,411
Total Liabilities	36,618
Total Equity	35,793
EBITDA	3,970
Net Profit	3,250

Financial Ratios

Dividend Yield (12m)	4.53
Dividend Pay-out (%)	35.63
Price-Earnings Ratio(x)	5.94
Price-to-Book Ratio (x)	1.83
Book Value (AED)	8.17
Return on Equity (%)	34.72

Stock Performance

5 Days	1.01%
1 Months	-0.33%
3 Months	1.01%
6 Months	14.56%
1 Year	35.91%
Month to Date (MTD%)	0.34%
Quarter to Date (QTD%)	11.15%
Year to Date (YTD%)	9.12%

Share of results from JVs rose from AED 43 Mn in 3Q24 to AED 112 Mn in 3Q25. Meanwhile, the share of profit attributable to non-controlling interest holders rose 33.4% YOY to AED 748 Mn in 3Q25. Additionally, the Company recorded a tax charge of AED 283 Mn in 3Q25, compared to AED 255 Mn in 3Q24.

Balance Sheet Highlights

Emaar Development's total debt remained unchanged at AED 3.7 Mn in 3Q25 compared to 2Q25. Cash and cash equivalents rose sharply from AED 32.4 Bn in 2Q25 to AED 35.1 Bn in 3Q25, with AED 30.8 Bn of this amount held in escrow accounts against advances received from customers for the sale of development properties. The value of development properties increased from AED 16.5 Bn in 2Q25 to AED 19.6 Bn in 3Q25.

Target Price and Rating

We maintain our BUY rating on Emaar Development with a revised target price of AED 17.25. The Company unveiled the Dubai Mansions project in 3Q25, showcasing luxury living and innovative design, reinforcing its leadership in the UAE property market. Property sales surged 10% YOY to AED 52.9 Bn in 9M25, compared to AED 48 Bn during 9M24, driven by sustained demand across master communities and the successful launch of 33 new projects during 9M25. This translated into a 44% YOY increase in sales backlog to AED 120.4 Bn, as of September 2025, offering revenue visibility over the next four to five years, with 47,200 residential units under construction. Emaar Development launched four fully owned projects in 3Q25: Selvara 3, Selvara 4, Chevalia Estate 2 at Grand Polo Club & Resort, and Vindera in the Valley, expanding its premium residential portfolio. Projects launched through joint ventures in 3Q25 include Rosehill in Dubai Hills Estate, Baystar by Vida, Sera 1 & 2 in Rashid Yachts & Marina, and Montiva in Dubai Creek Harbour. EMAARDEV's construction model minimizes financial risk through a strong land bank and JV contributions, requiring little upfront investment. Pre-sales funds most construction, with c. 60-70% of units sold and c. 20-30% cash collected before work begins. With c. 94% of projects sold off plan, this ensures strong cash flows and low reliance on debt. The model is further strengthened by a low default rate of c. 0.5%. In comparison, existing regulations permit forfeiture of up to 40% of sales value in default cases, allowing properties to be resold and protecting profitability. The Company had delivered over 78,900 residential units since 2002, demonstrating a strong execution track record. It also holds a substantial land bank of c. 339 Mn sqft (GLA) in the UAE, supporting future development. Demand dynamics remain healthy, with 61% of buyers in 9M25 being UAE residents, while 39% were international investors, led by Indians, followed by UK and Chinese buyers, highlighting the continued appeal of Dubai real estate to both domestic and overseas segments. The Company's balance sheet remains strong, with AED 35.1 Bn of cash and negligible debt, as of 3Q25, resulting in a net cash position that provides ample financial flexibility. Given these factors, we assign a BUY rating on the stock.

Emaar Development - Relative valuation

(at CMP)	2021	2022	2023	2024	2025F
PE	18.74	15.97	9.17	7.97	6.59
PB	4.20	3.51	2.66	2.14	1.74
EV/EBITDA	13.74	12.34	5.76	4.29	5.15
BVPS	3.623	4.332	5.710	7.097	8.723
EPS	0.811	0.952	1.657	1.908	2.306
DPS	NM	0.520	0.521	0.680	0.730
Dividend yield	NM	3.5%	3.5%	4.5%	4.9%

FABS Estimates & Co Data

Emaar Development – P&L

AED Mn	3Q24	2Q25	3Q25	3Q25F	Var.	YOY Ch	QOQ Ch	2024	2025F	Change
Revenue	5,140	4,905	7,714	6,002	28.5%	50.1%	57.3%	19,147	23,728	23.9%
Cost of Revenue	-2,202	-2,169	-3,356	-2,581	30.0%	52.4%	54.7%	-8,490	-10,915	28.6%
Gross Profit	2,938	2,737	4,358	3,421	27.4%	48.3%	59.2%	10,657	12,813	20.2%
S&G Expenses	-403	-400	-569	-528	7.6%	41.0%	42.0%	-1,609	-1,851	15.0%
Operating Profit	2,535	2,336	3,790	2,893	31.0%	49.5%	62.2%	9,047	10,962	21.2%
EBITDA	2,618	2,464	3,970	3,026	31.2%	51.7%	61.2%	9,424	11,506	22.1%
Finance Income	355	331	365	356	2.5%	2.8%	10.5%	1,160	1,350	16.5%
Finance Cost	-86	-46	-52	-43	22.2%	-38.7%	13.2%	-402	-207	-48.5%
Other Income	38	47	67	51	30.8%	76.9%	42.1%	174	202	16.1%
Share of results of JVs	43	74	112	80	39.1%	162.4%	50.2%	194	330	70.0%
Profit for the year	2,885	2,742	4,281	3,338	28.3%	48.4%	56.1%	10,173	12,638	24.2%
Tax	-255	-393	-283	-484	-41.6%	10.8%	-28.1%	-486	-1,264	NM
NCI	561	511	748	542	38.0%	33.4%	46.5%	2,053	2,148	4.6%
Net Profit	2,069	1,838	3,250	2,311	40.6%	57.1%	76.8%	7,633	9,225	20.9%

FABS estimate & Co Data

Emaar Development - Margins

	3Q24	2Q25	3Q25	YOY Ch	QOQ Ch	2024	2025F	Change
Gross Profit	57.2%	55.8%	56.5%	-67	71	55.7%	54.0%	-166
EBITDA	50.9%	50.2%	51.5%	54	124	49.2%	48.5%	-73
Operating Profit	49.3%	47.6%	49.1%	-20	150	47.3%	46.2%	-105
Net Profit	40.3%	37.5%	42.1%	188	467	39.9%	38.9%	-99

FABS estimate & Co Data

Valuation:

We use Discounted Free Cash Flow (DCF) and Relative Valuation (RV) to value Emaar Development. We have assigned 70% weight to DCF and 30% to the RV method.

Valuation Method	Target	Weight	Weighted Value
DCF Method	18.78	70.0%	13.14
Relative Valuation (RV)	13.70	30.0%	4.11
Weighted Average Valuation (AED)			17.25
Current market price (AED)			14.95
Upside/Downside (%)			+15.4%

1) DCF Method:

Emaar Development is valued using free cash flow to Equity since there is negligible debt in the company. We have discounted the cash flow using the cost of equity of 9.6%. The cost of equity is calculated by using a 10-year government bond yield of 5.1%, a beta of 1.00 and an equity risk premium of 4.5%. Also, assumed a terminal growth rate of 2.0%.

Sum of PV (AED, Mn)	24,103
Terminal value (AED, Mn)	49,849
FV to Common shareholders (AED, Mn)	73,953
Net debt as of Sept 2025	1,153
Equity Value	75,105
No. of share (Mn)	4,000
Current Market Price (AED)	14.95
Fair Value per share (AED)	18.78

DCF Method

(All Figures in AED Mn)	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Cash flow from operations	6,922	3,292	6,526	6,638	7,933	5,977
(-) Capex	-14	-20	-31	-31	-26	-25
Free Cash Flow to Equity (FCFE)	6,908	3,273	6,495	6,607	7,907	5,953
Discounting Factor	0.99	0.90	0.82	0.75	0.69	0.63
Discounted FCFE	1,706¹	2,950	5,344	4,961	5,419	3,723

Source: FAB Securities, ¹Adjusted for partial year

2) Relative Valuation:

We have considered both domestic and international peers to value Emaar Development. The Company is valued at a 2026 P/B multiple of 1.3x, higher than the peers' median multiple of 1.0x, as all the domestic peers are trading at a higher multiple compared to international peers.

Company	Market	EV/EBITDA (x)		P/B (x)	
	(USD Mn)	2025F	2026F	2025F	2026F
Peers					
Dar Al Arkan	4,751	15.9	15.5	1.0	0.9
Aldar Properties	19,285	8.9	7.5	1.9	1.6
Palm Hills Developments	501	3.2	2.5	1.2	0.8
Sixth of October for Development Company	522	4.3	2.9	1.2	0.9
Saudi Real Estate Company	1,390	NA	NA	1.2	1.1
Tecom	4,492	9.4	9.4	2.3	2.1
Average		8.4x	7.5x	1.5x	1.3x
Median		8.9x	7.5x	1.2x	1.0x
Max		9.4x	9.4x	1.7x	1.5x
Min		4.3x	2.9x	1.2x	0.9x

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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