Earnings Call Insight | 3Q26

UAE Equity Research | Sector: Industrial | Market: DFM

Dubai Taxi Company

Current Price	Target Price	Upside/Downside (%)	Rating
AED 2.33	AED 3.00	+29%	BUY

3Q26 Net Profit higher than our estimate

- DTC's revenue rose 25.7% YOY to AED 735 Mn in 3Q26, driven by the consolidation of National Taxi (NTC) from 8 July 2026. Like-for-like (LFL) revenue declined 2.8% YOY to AED 569 Mn in 3Q26 due to softer trip volumes in the taxi and limousine segments, partially offset by a strong growth in the delivery bike segment.
- Taxi and limousine trips for DTC standalone fell 5.3% YOY to 12.4 Mn in 3Q26, while NTC consolidation added 6.1 Mn trips, taking combined trips to 18.5 Mn. Moreover, DTC's standalone trip volumes showed a gradual recovery during the quarter, with trip volume increasing on a month-on-month basis over the last six months. Furthermore, the YOY decline narrowed from 37% in April to 2% in September, indicating the recovery in demand.
- Total fleet stood at 15,388 vehicles as of 3Q26, of which 9,344 were Taxis (6,659 in DTC fleet and 2,685 in NTC), 486 Limousines, 1,188 Buses, and 4,370 Delivery Bikes.
- Direct cost rose 38.7% YOY to AED 513 Mn in 3Q26 owing to higher fuel costs, insurance and staff expenses. Additionally, plate cost decreased by 1.5% YOY to AED 91 Mn in 3Q26 as it received a benefit of AED 33.5 Mn license fee waiver from RTA on the taxi and Limousine fleet for DTC, including NTC.
- Gross profit grew 6.8% YOY to AED 132 Mn in 3Q26, while the gross margin shrank 316 bps YOY to 17.9% in 3Q26, attributed to lower margins across all its segments.
- DTC's EBITDA increased 10.0% YOY to AED 166 Mn in 3Q26, with the EBITDA margin contracting from 25.9% in 3Q25 to 22.6% in 3Q26, primarily due to softer demand, higher fuel prices and the impact of NTC consolidation, partially offset by disciplined cost management, operational efficiencies and the benefit of AED 33.5 Mn on plate fees received from RTA in 3Q26.
- The Company's operating profit decreased 4.0% YoY to AED 94 Mn in 3Q26.
- DTC's net profit fell from AED 76 Mn in 3Q25 to AED 57 Mn in 3Q26, with the net profit margin declining 529 bps YOY to 7.8% in 3Q26. The decline was driven by higher depreciation and finance costs following the NTC acquisition, partially offset by higher EBITDA contribution. LFL net profit declined 49.4% YOY to AED 38.6 Mn, with a margin of 6.8% during the period.
- DTC balance sheet remained healthy, with cash and cash equivalents (including short-term national bonds) of AED 426 Mn. Net debt rose to AED 2.0 Bn, equivalent to a net debt-to-EBITDA ratio of 3.8x as of September 2026, related to borrowings to fund the acquisition of NTC.

Earnings Call Summary

- National Taxi (NTC) was consolidated from 8 Jul 2026, so reported 3Q26 includes NTC for the period of 8 July 2026 to 30 September 2026.
- Airport trips recovered to 1.1 Mn in 3Q26 (40% QOQ growth). Monthly airport trips rose by 82% from April to September and peaked at 385k in August.
- NTC delivered AED 168 Mn revenue, AED 35 Mn EBITDA (21% margin) and AED 17 Mn net profit (10% margin) from 8 July 2026 to 30 September 2026.
- NTC integration is nearly 30% complete and progressing ahead of schedule. It generated cost synergies of AED 4 Mn in 3Q26 across finance, procurement, capex and asset optimisation. Monthly savings rose from AED 0.1 Mn in July to AED 2 Mn in September.
- The phased rollout of 600 new Dubai taxi plates progressed, with 450 additional plates operational by 3Q26. Additionally, 1,607 Arabia Taxi vehicles were onboarded onto the Bolt network. DTC also

commissioned its first ultra-fast EV charging hub, comprising 24 charging points, as the initial phase of a planned network of over 200 charging points.

- Bolt total number of trips rose 44% YOY to 6.6 Mn in 9M26 (2.3 Mn in 3Q26), supported by 405 fleet partners and 35k registered cars. Average monthly active drivers rose 55% YoY to c.41k in 9M26, and active riders rose 73% YoY to c.164k during the period.
- E-hailing channel's trips declined 9.0% YOY to 19.2 Mn in 9M26 and generated 6.3 Mn trips in 3Q26. DTC also renewed its Hala partnership for five years after 9M26.
- Net capex reached AED 380 Mn in 3Q26, mainly due to the AED 336 Mn investment in additional taxi plates. Excluding plate fees, net capex was AED 45 Mn.
- Management reduced the limousine fleet to 486 vehicles, which it considers sufficient service the exclusive locations at a profitable rate.
- Dividends and debt repayment both depend on DTC's cash flow. It aims to keep DTC's standalone dividend intact in absolute terms, with the incremental NTC contribution used for liability management and dividends. 2026 dividends are subject to management's approval.
- Leverage is expected to improve as EBITDA normalises next year, given the current leverage is under 4x.
- The delivery bike segment has a strong contract pipeline that should support growth through next year. October trips have recovered to pre-conflict levels, and the YOY trip volume gap already narrowed to 2% by September 2026, with a focus on sustaining this momentum.
- The increase in other income is mainly the fair value gain of approximately AED 1.0 Mn related to Parkin shares. It's mark-to-market and varies with the change in Parkin share price.
- NTC trips are roughly 70% Dubai and 30% Abu Dhabi (as per management approximation), though Abu Dhabi tariffs are less flexible than Dubai.
- Bolt's share of total e-hailing trips roughly doubled, from 10% last year to more than 20% this year, excluding the Abu Dhabi fleet. DTC anticipates the growth to continue.
- The RTA revised the fare by 6 fils per km, taking the city fare to AED 2.51/km from 2.45/km. This increase is in line with expectations, as fuel prices fell by 20 fils. From January 2027 onwards, fares will be revised monthly instead of every two months. This will align fuel expenses with demand.
- Monthly plate fees are AED 5,000 for a city taxi, AED 3,600 for an airport taxi and AED 1,200 for a limousine.
- DTC expects 4Q26 EBITDA to be better than the last three quarters, with a margin of more than 20%.
- E-hailing trips were weak due to lower activity by tourism and the absence of events in 2Q26. Events began to return in 3Q26, and e-hailing trips grew steadily. October e-hailing is almost back to pre-conflict levels.
- In the long term, DTC anticipates a synergy target of at least 5% of NTC's top line, equivalent to AED 35-40 Mn, over the medium to long term. DTC repaid NTC's loans, making the company debt-free. Further synergies are expected from aligning driver commissions and from procurement, such as ENOC fuel discounts. The partial effect of these savings is expected in 2027, and the full-year effect is projected from 2028.
- The delivery segment has doubled its service every year since inauguration and contributed almost 5% to the revenue and generates a double-digit net profit margin. It contributed 5% of total revenue and might double its contribution going forward.
- Bolt's cash burn was capped at 2% of top line. This year's cash burn will be much less than 2%, and the business is forecasted to be profitable next year. Additionally, Bolt has achieved the five-year trip target in two years and is entering the Abu Dhabi market, where competition is limited.

DTC – P&L

AED Mn	3Q25	2Q26	3Q26	3Q26F	Var.	YOY Ch	QOQ Ch
Revenue	585	485	735	693	6.1%	25.7%	51.8%
Direct cost	-370	-345	-513	-465	10.4%	38.7%	48.7%
Plate & license fee	-92	-92	-91	-125	-27.4%	-1.5%	-1.5%
Gross profit	**123**	**47**	**132**	**104**	**27.0%**	**6.8%**	**NM**
Other income	2	7	5	5	9.3%	NM	-32.2%
G&A expenses	-26	-30	-42	-31	33.6%	60.1%	37.9%
Impairments	-2	-1	-1	-3	NM	NM	NM
Operating Profit	**98**	**23**	**94**	**74**	**26.3%**	**-4.0%**	**NM**
EBITDA	**151**	**77**	**166**	**142**	**17.2%**	**10.0%**	**NM**
Finance income	3	3	4	3	54.5%	48.6%	32.5%
Finance costs	-17	-14	-35	-31	14.8%	NM	NM
Profit before tax	**84**	**12**	**63**	**47**	**35.5%**	**-25.1%**	**NM**
Income Tax	-8	-1	-6	-4	42.3%	-23.4%	NM
Profit for the period	**76**	**10**	**57**	**42**	**34.9%**	**-25.3%**	**NM**

FABS estimate & Co Data

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
Shahrukh Nawaz	+971-2-6161612	Shahrukh.Nawaz@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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