First Look Note | 3Q26

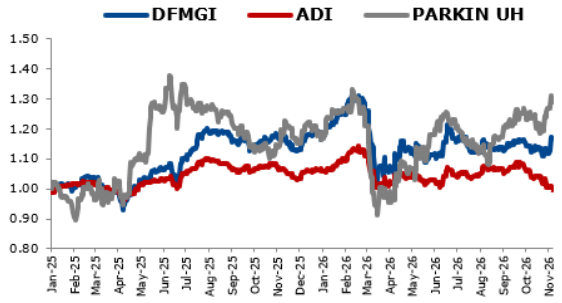
UAE Equity Research | Sector: Industrial | Market: DFM

Parkin Company PJSC (PARKIN)

Record Earnings Driven by Non-Concession Segments, Offsetting Public Parking Weakness

Current Price	Target Price	Upside/Downside (%)	Rating
AED 6.77	AED 7.00	+3.4%	HOLD

- Public Parking spaces increased 7.1% YOY to 205.8K in 3Q26, while Developer parking expanded to 63.0K in 3Q26 following several developer contracts signed over the last 12 months.
- The Company raised 2026 guidance for Enforcement to AED 460-480 Mn and Seasonal Cards to AED 300-320 Mn, while Public Parking is expected close to the midpoint of AED 510-550 Mn and Developer maintained at AED 130-150 Mn, supported by 3.5K-5.0K new public spaces in 2H26.
- Capex guidance maintained at AED 45-55 Mn in 2026, supporting developer contracts and technology upgrades, including up to AED 20 Mn for Sports City.
- Paid an interim dividend of AED 351.4 Mn (11.71 fils per share) in October 2026, equal to 100% of 1H26 net profit.



Stock Information	
Market Cap (AED, mm)	20,310.00
Paid Up Capital (mm)	60.00
52 Week High	6.77
52 Week Low	4.38
3M Avg. daily value(AED)	9,880,665

3Q26 Result Review (AED, Mn)	
Total Assets	2,720
Total Liabilities	2,000
Total Equity	721
EBITDA	255
Net Profit	166

Financial Ratios	
Dividend Yield (12m)	3.42
Dividend Pay-out (%)	104.77
Price-Earnings Ratio(x)	29.29
Price-to-Book Ratio (x)	39.11
Book Value (AED)	0.17
Return-on Equity (%)	138.13

Stock Performance	
5 Days	6.11%
1 Months	13.97%
3 Months	21.11%
6 Months	22.20%
1 Year	15.33%
Month to Date (MTD%)	9.55%
Quarter to Date (QTD%)	10.98%
Year to Date (YTD%)	18.98%

3Q26 Net Profit higher than our estimate

Parkin Company PJSC (PARKIN/the Company) net profit grew 26.9% YOY to AED 199 Mn in 3Q26, higher than our estimate of AED 169 Mn. The net profit growth was supported by higher revenue and finance income coupled with a decline in concession fee expense and finance cost, partially offset by lower other income and increased operating expenses, depreciation & amortization and income tax expense.

P&L Highlights

Parkin's revenue grew 21.5% YOY to AED 410 Mn in 3Q26, supported by Seasonal cards, Developer parking, Public MSCPs and Enforcement segments, partially offset by Public parking segment. Revenue from Public parking decreased 5.3% YOY to AED 128 Mn in 3Q26, due to lower hourly transaction volumes and utilisation as customers continued shifting toward seasonal cards. Public parking spaces grew 7.1% YOY to 205.8K spaces in 3Q26, with Standard Parking comprising 125.4K spaces (61%) and Premium Parking 80.4K spaces (39%) as of 3Q26. Moreover, a total of 2.7K new public parking spaces were added during the quarter. Revenue from MSCPs increased 21.0% YOY to AED 4.4 Mn in 3Q26, while MSCP parking spaces remained unchanged at 3.7K and MSCP transactions remained stable at 0.3 Mn. Revenue from Developer Parking increased from AED 24 Mn in 3Q25 to AED 40 Mn in 3Q26, supported by a 79% increase in transaction volumes reaching 7.0 Mn parking transactions in 3Q26. Developer Parking spaces increased from 23.2K in 3Q25 to 63.0K in 3Q26, driven by various developer contracts signed over the last 12 months. The Company added a net 1.5K Developer parking spaces in 3Q26, as c. 4.3K new spaces were partially offset by the removal of c. 2.8K spaces. Revenue from Seasonal cards and permits including the parking reservations grew from AED 70 Mn in 3Q25 to AED 99 Mn in 3Q26, mainly driven by

an increase in seasonal card sales and parking reservations. The total number of public parking seasonal cards sold increased from 81.0K in 3Q25 to 110.6K in 3Q26, reflecting strong growth in 1-month seasonal cards. Revenue from fines grew by 32.4% YOY to AED 136 Mn in 3Q26. Revenue generated from other services increased marginally from AED 2.2 Mn in 3Q25 to AED 2.4 Mn in 3Q26. The Company's other income decreased from AED 1.3 Mn in 3Q25 to AED 0.6 Mn in 3Q26, while finance income remained stable at AED 5 Mn in 3Q26. Concession fee expense declined 5.3% YOY to AED 58 Mn in 3Q26, as 3Q25 included a one-off provision of AED 4.4 Mn. The Company's commission expense increased 17.7% YOY to AED 13 Mn in 3Q26. Maintenance expense increased from AED 5 Mn in 3Q25 to AED 8 Mn in 3Q26. Parkin's employee benefit expenses rose 3.6% YOY to AED 35 Mn in 3Q26. The Company's variable lease payment increased from AED 10 Mn in 3Q25 to AED 22 Mn in 3Q26. The Company recorded an impairment loss of AED 4 Mn in 3Q26 compared to AED 3 Mn in 3Q25. Other expenses increased 9.9% YOY to AED 21 Mn in 3Q26. As a result, Parkin's EBITDA grew 27.6% YOY to AED 255 Mn in 3Q26, while the EBITDA margin expanded 322 bps YOY to 61.4% in 3Q26. D&A expenses increased significantly from AED 13 Mn in 3Q25 to AED 22 Mn in 3Q26. The Company's finance cost fell 1.2% YOY to AED 14 Mn in 3Q26. In addition, the Company's income tax charge increased 26.0% YOY to AED 20 Mn in 3Q26.

Balance sheet highlights

Parkin's cash and cash equivalents stood at AED 516 Mn in 3Q26, compared to AED 418 Mn in 2Q26. Parkin generated a free cash flow to equity of AED 421.5 Mn in 9M26, compared to AED 433.4 Mn in 9M25, as the longer cash collection cycle of the enforcement segment and the timing of receipts from telecom operators delayed cash inflows. The cash conversion ratio declined to 89% in 3Q26 from 99% in 3Q25, reflecting higher capital expenditure of AED 28.1 Mn related to developer contract obligations and smart parking infrastructure. The Company's net debt stood at AED 642 Mn in 3Q26. Parkin's total available liquidity stood at AED 643 Mn in 3Q26, including the Murabaha revolving credit facility, which remains fully undrawn.

Target Price and Rating

We revise our rating on PARKIN from BUY to HOLD with a revised target price of AED 7.00. Parkin reported record profitability in 3Q26, supported by the seasonal cards, developer parking and enforcement segments, partially offset by the public parking segment. Total parking transactions grew 5.6% YOY to 36.0 Mn in 3Q26, with every month of the quarter ahead of the same month in 2025. The growth was primarily driven by Developer parking transaction volumes, which rose to 7.0 Mn in 3Q26 from 3.9 Mn in 3Q25, supported by the expansion of the developer parking portfolio following multiple contracts signed over the last 12 months. Whereas, Public Parking transactions declined to 28.8 Mn in 3Q26 from 30.0 Mn in 3Q25, due to the increased use of seasonal cards, which remain priced at pre-variable tariff levels, while chargeable days remained unchanged at 78 days. Moreover, the weighted average hourly tariff in Public Parking declined 1.3% YOY to AED 2.99 in 3Q26 following the addition of new parking capacity in zones C+CP and D+DP over the past 12 months (13.7K spaces). Total fines issued increased 34.3% YOY to 916.1K in 3Q26, with enforcement notices at developer sites more than doubling to 259K in 3Q26 from 121K in 3Q25. The overall fine collection rate improved to 87% in 3Q26 from 86% in 3Q25, recovering from 75% in 2Q26 as collections relating to fines issued towards the end of the prior quarter were received. Furthermore, Parkin's smart scan inspection fleet totalled 37 vehicles at the end of 3Q26, up from 27 vehicles in 3Q25, supporting higher enforcement activity along with growth in the parking portfolio and improved camera accuracy. The Company's field enforcement team scanned 11.9 Mn vehicle registration plates in 3Q26 compared to 9.8 Mn in 3Q25, while the fleet of smart inspection cars scanned 26.5 Mn plates compared to 15.4 Mn in 3Q25. The Company indicated that the RTA has tentatively approved a seasonal card price parity adjustment, which is awaiting submission to the Executive Council, with Parkin seeking a c. 30–50% price uplift, providing potential upside to seasonal card revenue. Parkin is also preparing a bid, with partners, for the Dubai Airports parking RFP covering DXB and Al Maktoum International (c. 10K spaces), with submission due in early January 2027. For 2026, Parkin raised its enforcement revenue guidance to AED 460–480 Mn (from previous AED 420–460 Mn) and its seasonal cards and permits revenue guidance to AED 300–320 Mn (from previous AED 280–300 Mn), while public parking revenue is expected close to the midpoint of AED 510–550 Mn and developer parking revenue guidance was maintained at AED 130–150 Mn. The Company maintained its guidance of 3.5K–5.0K public parking space additions in 2H26, with 2.7K delivered in 3Q26 and 1K–2K expected in 4Q26. Capex guidance

was maintained at AED 45–55 Mn to support developer contract obligations and technology investments, including smart parking camera infrastructure and up to AED 20 Mn for Sports City. Additionally, Parkin paid an interim dividend of AED 351.4 Mn (11.71 fils per share) in October 2026, equal to 100% of 1H26 net profit, and expects the 2H26 payout to be the higher of 100% of 2H26 net profit or free cash flow to equity, subject to available distributable reserves. Thus, based on our analysis, we revise our rating to HOLD on the stock.

PARKIN- Relative valuation[1]

(at CMP)	2024	2025	2026F
PE (x)	48.0	32.4	27.6
PB (x)	42.3	40.4	36.9
EV/EBITDA	37.0	26.7	21.6
BVPS	0.160	0.168	0.190
EPS	0.141	0.209	0.254
DPS	0.160	0.219	0.259
Dividend yield (%)	2.4%	3.2%	3.8%

FABS Estimates & Co Data

[1]Note – PARKIN Company was listed on DFM in March 2024. Thus, the financial multiple for the prior period is unavailable

PARKIN – P&L

AED Mn	3Q25	2Q26	3Q26	3Q26F	Var.	YOY Ch	QOQ Ch	2025	2026F	YOY Ch
Revenues	337	360	410	379	8.2%	21.5%	13.9%	1,308	1,571	20.0%
Other Income	1	0.3	0.6	0.3	73.1%	-58.2%	87.5%	2	3	21.3%
Finance Income	5	4	5	5	8.3%	1.7%	23.0%	16	19	19.2%
Concession fee expense	61	55	58	63	-7.9%	-5.3%	4.8%	205	226	10.5%
Commission expense	11	12	13	13	-2.2%	17.7%	10.6%	44	52	18.2%
Maintenance expense	5	5	8	7	8.6%	54.7%	50.4%	21	25	19.7%
Employee benefits exp	34	35	35	34	4.1%	3.6%	1.0%	138	139	0.7%
Var. lease payments	10	15	22	19	16.1%	116.6%	45.0%	36	83	131.8%
Impairment	3	5	4	6	-33.7%	8.3%	-21.4%	16	22	41.3%
Other Expenses	19	20	21	23	-11.0%	9.9%	3.6%	69	79	13.8%
EBITDA	**200**	**217**	**255**	**219**	**16.6%**	**27.6%**	**17.4%**	**798**	**966**	**21.0%**
D&A exp	13	20	22	17	30.3%	71.2%	9.8%	52	68	32.8%
EBIT	**187**	**197**	**233**	**202**	**15.5%**	**24.7%**	**18.2%**	**747**	**898**	**20.2%**
Finance Cost	-14	-14	-14	-16	-9.1%	-1.2%	4.2%	-59	-62	4.1%
Earning Before Tax	**173**	**184**	**219**	**186**	**17.5%**	**26.8%**	**19.2%**	**687**	**836**	**21.6%**
Income Tax Expense	16	17	20	17	16.7%	26.0%	13.2%	62	75	21.5%
Net Profit	**157**	**166**	**199**	**169**	**17.6%**	**26.9%**	**19.8%**	**626**	**761**	**21.6%**

FABS estimate & Co Data

PARKIN - Margins

	3Q25	2Q26	3Q26	YOY Ch	QOQ Ch	2025	2026F	YOY Ch
EBITDA	58.2%	59.7%	61.4%	322	175	60.2%	60.7%	50
Operating profit	54.5%	54.2%	56.1%	167	196	56.3%	56.4%	8
Net profit	45.7%	45.7%	48.0%	225	232	47.2%	47.8%	62

FABS estimate & Co Data

Key Developments

- **07 January 2026:** Parkin entered into an operational parking management agreement with Spinneys and Waitrose to manage parking across six retail locations in Dubai, offering customers two hours of complimentary parking followed by hourly charges. The sites will use Parkin's automated access control, enforcement solutions and mobile app integration, helping Parkin expand its developer-owned parking portfolio, add recurring parking management revenue and strengthen its presence in high-traffic retail locations.

Valuation:

We use Discounted Free Cash Flow (DCF), Relative Valuation (RV), and Discounted Dividend Method (DDM) to value Parkin Company P.J.S.C. We have assigned 75% weight to DCF, 15% to DDM, and 10% to the average of P/E & EV/EBITDA.

Valuation Method	Valuation	Weight	Weighted Value
DCF Method	7.11	75.0%	5.33
DDM Method	6.80	15.0%	1.02
Average of PE & EV/EBITDA	6.45	10.0%	0.65
Weighted Average Valuation (AED)			**7.00**
Current market price (AED)			6.77
Upside/Downside (%)			+3.4%

1) DCF Method:

Parkin Company P.J.S.C. is valued using free cash flow to the firm. We have discounted the cash flow using the weighted average cost of capital of 9.0%. It is arrived after using the cost of equity of 9.2% and after-tax cost of debt of 4.8%. The cost of equity is calculated by using a 10-year government bond yield of 5.6%, a beta of 0.83, and an equity risk premium of 4.4%. Government bond yield is calculated after adding Dubai's Government spread over 10-year US risk free rate. Also, assumed a terminal growth rate of 3.5%.

Sum of PV (AED, Mn)	4,957
Terminal value (AED, Mn)	17,004
Net Debt (as of September 2026)	-642
FV to Common shareholders (AED, Mn)	**21,319**
No. of share (Mn)	2,999
Current Market Price (AED)	6.77
Fair Value per share (AED)	**7.11**

DCF Method

(All Figures in AED, Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E
NOPAT	822	1,085	1,164	1,230	1,294	1,366
Depreciation & Amortization	68	69	70	72	73	74
Capex	-51	-41	-35	-37	-37	-37
Change in Working Capital	5	-44	-4	-9	-16	-11
Free Cash Flow to Firm (FCFF)	**845**	**1,069**	**1,196**	**1,255**	**1,314**	**1,392**
Discounting Factor	0.99	0.91	0.83	0.76	0.70	0.64
Discounted FCFF	**209[1]**	**971**	**997**	**960**	**923**	**897**

Source: FAB Securities, [1]Adjusted for partial year

2) Relative Valuation:

We have used local peers to value Parkin, which uses the average of EV/EBITDA and PE multiple. Parkin is valued based on the multiple of a local infrastructure company. In addition, Parkin's business is comparable to Salik's as both operate under a concession agreement with RTA. Salik is trading at a premium multiple to other infrastructure peers; thus, we applied a premium of 40% to the infrastructure peers' median valuation multiple to value Parkin. It is valued at a 2027 EV/EBITDA multiple of 14.0x compared to a peer median valuation of 10.0x. In addition, it is valued at a 2027 P/E multiple of 21.4x compared to a peer median valuation of 15.3x.

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2026F	2027F	2026F	2027F
Regional Infrastructure Cos					
Dubai Taxi Company	1,599	15.8	9.8	45.6x	16.9x
Salik Co PJSC	11,414	22.0	19.8	28.0x	24.3x
Dubai Electricity & Water Authority	36,890	9.9	9.4	16.3x	15.3x
Emirates Central Cooling System	4,302	10.8	9.9	14.6x	13.6x
Abu Dhabi National Oil Co	13,306	10.4	10.7	13.4x	14.7x
Average		**13.8x**	**11.9x**	**23.6x**	**17.0x**
Median		**10.8x**	**10.0x**	**16.3x**	**15.3x**
Max		**15.8x**	**10.7x**	**28.0x**	**16.9x**
Min		**10.4x**	**9.8x**	**14.6x**	**14.7x**

Source: FAB Securities

3) DDM Method:

The Company maintains a policy to declare regular dividends to shareholders in the forecasted period. Parkin is expected to pay a minimum dividend payment of the higher of 100.0% of net income or free cash flow to equity (FCFE) after deducting the statutory reserve requirement in the forecasted period. The Company will distribute dividends semi-annually to reflect its strong cash flow generation profile. The dividend is discounted at the cost of equity of 9.2%.

Sum of PV (AED, Mn)	5,204
Terminal value (AED, Mn)	15,180
FV to Common shareholders (AED, Mn)	**20,384**
No. of share (Mn)	2,999
Current Market Price (AED)	6.77
Fair Value per share (AED)	**6.80**

(All Figures in AED Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E
Dividend Declared for -						
H1	351	510	559	587	616	654
H2	425	510	559	587	616	654
Total Dividend	**776**	**1,020**	**1,118**	**1,175**	**1,232**	**1,308**
Discounting Factor	0.99	0.91	0.83	0.76	0.70	0.64
Present Value of Dividend	**768**	**924**	**927**	**893**	**858**	**834**

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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