Property Developers

Sustained Growth Supported by Economic Expansion and Policy Easing

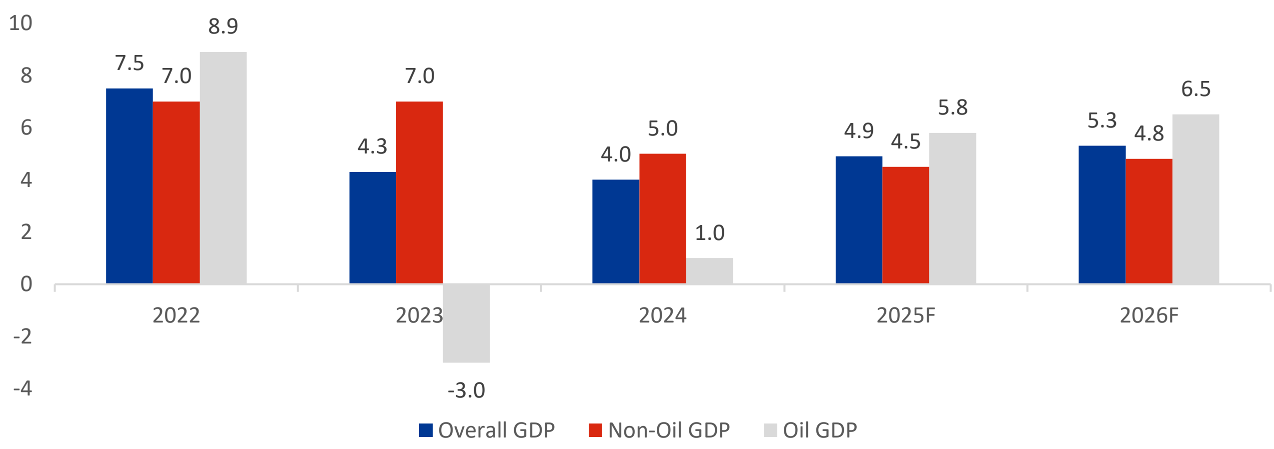
Sector Weighting:
MARKET WEIGHT

Property Market Outlook

The UAE's economy expanded 3.9% YOY in 1Q25, supported by healthy growth in the non-oil sector, which rose by 5.3% over the period. The contribution of non-oil stood at 77.3% in 1Q25, while the oil sector accounted for the balance share. Moreover, CBUAE revised the real GDP growth forecast for 2025 to 4.9%, up from its previous estimate of 4.4%. This projection for 2025 was increased due to estimated recovery in oil production following the August OPEC+ quota adjustments, alongside sustained momentum in the non-oil sector. The Central Bank expects the non-oil GDP to grow 4.8% in 2026, driven by increased investments and government expenditure in the sector.

The US Federal Reserve announced its first rate cut of the year, reducing the federal funds rate by 25 bps to a range of 4.00%–4.25%, during its policy meeting in September 2025. The Fed also signalled two additional rate cuts before the end of 2025. Moreover, the impact of the tariff is expected to exert additional upward pressure on inflation throughout 2025, while the Federal Reserve continues to maintain its long-term inflation target of 2.0% in the longer run. As the UAE's currency is pegged to the US dollar, the central bank closely aligns its monetary policy with the FED. Accordingly, in September 2025, the CBUAE reduced its base rate by 25 bps from 4.40% to 4.15%. The recent rate cut, coupled with the Fed's projection of further easing, is expected to stimulate lending activity across the economy, particularly benefiting the real estate sector. Furthermore, we anticipate stronger demand in the property market, attributed to improved access to financing at relatively lower borrowing costs, which are likely to attract both domestic and international investors.

Real GDP Growth in UAE (%)

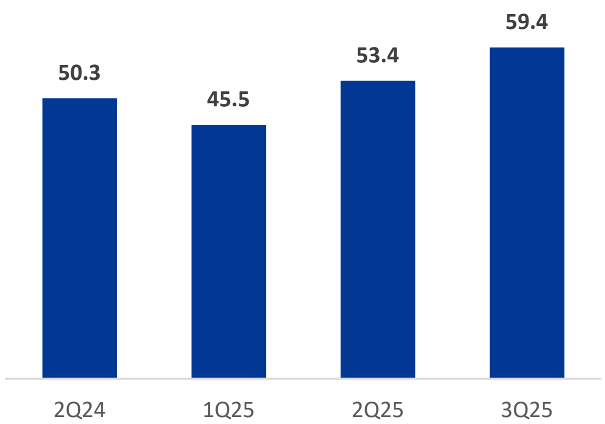


Source: CBUAE, 2024 – Oil Economy Estimate

Despite the tariff measures, the impact on the real estate sector has been modest so far, with the UAE real estate market continuing to showcase a strong performance through 1H25. UAE is positioned as a politically stable, economically diversified, and globally connected hub that continues to attract foreign capital seeking safety amid regional instability. Despite ongoing geopolitical uncertainty, real estate activity in the UAE is expected to remain resilient, supported by steady population growth, government-led infrastructure investments, and a low-interest-rate environment benefiting demand across both residential and commercial segments. Unless geopolitical tensions directly impact the UAE, the real estate market is expected to maintain its growth trajectory.

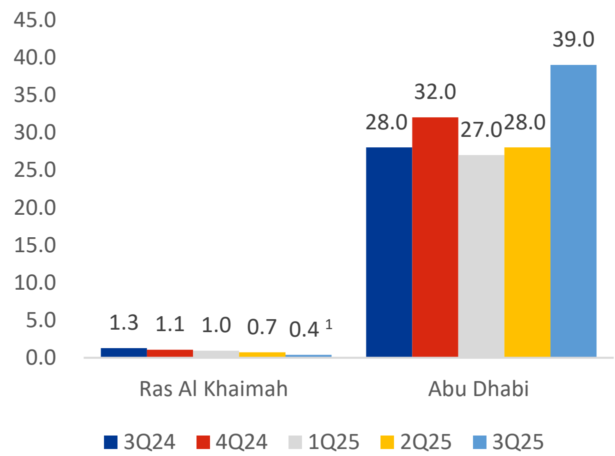
Amid the dynamic shift shaping Dubai's real estate sector, recent data from DXB Interact records substantial growth in sales volume and overall sales value. In 3Q25, total sales transactions in Dubai increased 17.6% YOY to 59.4 K, driven by rising demand and the ongoing expansion of infrastructure projects. Moreover, sales value experienced a healthy double-digit YOY growth in 3Q25, but decline of 8.1% QOQ, reaching AED 170.7 Bn. The growth highlights a strong upward trend across different types of properties. Apartment sales value witnessed an increase of 30.2% YOY to AED 94.6 Bn from 49.5 K transactions in 3Q25, up 26.3% YOY due to increased investment appeal and rising developer activity for the development of apartments. Villa sales value declined of 15.1% YOY, to AED 40.4 Bn from 6.6 K transactions during 3Q25. The Commercial property segment value surged substantially by 86.3% YOY to AED 4.2 Bn sales from 1.6 K transactions in 3Q25. The growth in demand from new businesses, combined with the limited availability of premium office spaces and rising rental rates, contributed to the upward momentum in commercial property prices. Plot sales recorded a notable boost, growing by 60.3% YOY in 3Q25 to reach AED 31.6 Bn from 1.7 K transactions during the period of 3Q25. This increase was primarily fuelled by robust rental yields, strategic project launches and HNI investors acquiring plots to build bespoke projects or capitalise on future appreciation. Furthermore, Abu Dhabi, total real estate transactions value reached AED 54 Bn in 1H25, with residential unit sales making up AED 25 Bn of the total during the same period. In Ras Al Khaimah, the real estate transactions totalled AED 395.4 Mn, with AED 221.3 Mn recorded in July 2025 and AED 174.1 Mn in August 2025.

Dubai Real Estate Transactions (AED Bn)



Source: DXB Interact

Real Estate Transactions - Ras Al Khaimah and Abu Dhabi (AED Bn)



Source: Rak Government and Abu Dhabi Real Estate Centre

1: 3Q25 data in Ras Al Khaimah is for July and August 2025

Office market conditions across both Abu Dhabi and Dubai continued to strengthen during the quarter, reflecting sustained corporate demand and limited new supply. Vacancy levels tightened further as businesses expanded operations and sought high-quality spaces in well-connected locations.

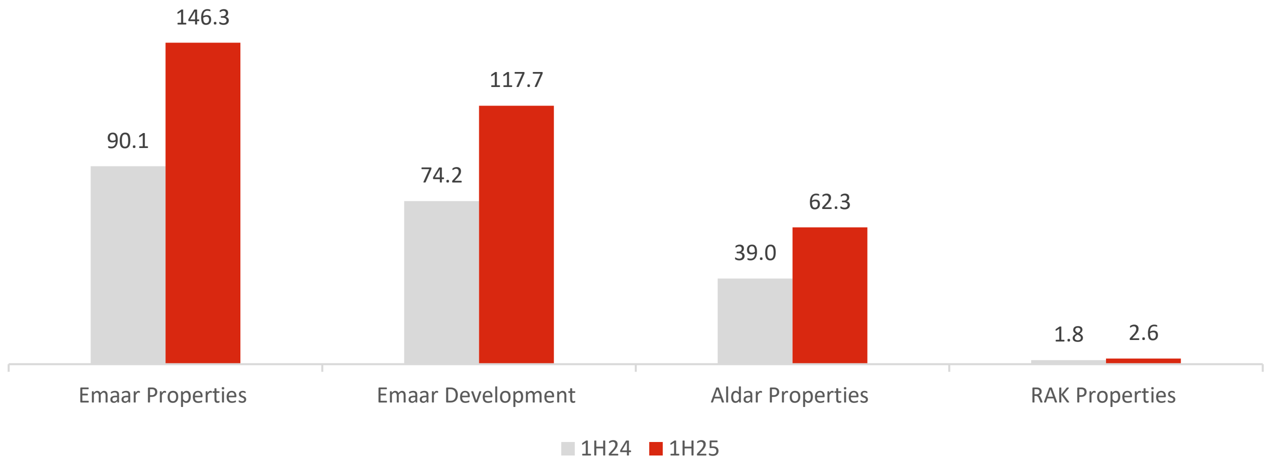
In 2Q25, Abu Dhabi's overall office vacancy rate fell to 1.5%, with Prime office spaces and Grade A showing particularly low levels of vacancy at 0.1% and 1.7%, respectively. For the same period, Dubai's office market recorded a decline in overall vacancy rates to 7.7%. Prime office spaces and

Grade A properties witnessed low vacancy rates of just 0.3% and 3.5% in 2Q25, respectively. Office rental rates across both Abu Dhabi and Dubai continued to rise, supported by strong occupier demand, limited supply, and sustained economic expansion. Abu Dhabi experienced a substantial increase in rental rates across prime offices, growing by 31.5% YOY in 2Q25, along with 7.8% YOY and 10.9% YOY growth in Grade A and Grade B properties, respectively. In 2Q25, Abu Dhabi's office market recorded average annual rents of AED 2,905 per sq. m for Prime spaces, AED 1,676 per sq. m for Grade A, and AED 1,258 per sq. m for Grade B offices in 2Q25. During the same period, Dubai's prime office rents rose across all segments, with Prime spaces growing 17.3% YOY to AED 359 per sq. ft. per annum, while Grade A and Grade B rates grew 19.5% and 16.0% YOY, respectively, in 2Q25. On the supply side, Abu Dhabi and Dubai are experiencing strong growth in office spaces. Abu Dhabi office inventory increased c. 78,000 square meter in 2Q25 and further plans to add c.66,000 square meter of new office space in 2H25. Furthermore, Grade A office supply is projected to remain tight until early 2026, when new premium developments are expected to be completed. On the other hand, Dubai's office stock rose by 24,000 square meter in 2Q25 and aims to add a moderate amount of c.33,000 square meter of gross leasable area for 2H25. Moreover, Dubai is set to launch around 264,000 sq. m of gross leasable area from 2026 to 2027, with a notable share coming from grade A office space within DIFC. The limited Grade A supply continues to create a landlord-favourable environment in both markets, though rising rent may affect future growth in office rental rates.

Dubai and Abu Dhabi residential properties continue to record strong growth in sales prices in 2Q25. Residential prices in both Abu Dhabi and Dubai continued to rise. However, the pace of growth began to moderate, with average apartment and Villa sales prices in Abu Dhabi growing at 14.4% YOY and 11.1% YOY, respectively, in 2Q25. Rental rates also showcased strong momentum, with apartment rents rising by 13.9% YOY in 2Q25 and villa rents increasing by 4.7% YOY in Abu Dhabi, primarily due to demand for new constructions, amenities and lifestyle features. For Dubai, the apartment rents and villa rents were up by 7.2% YOY and 5.3% YOY, respectively, in 2Q25. Furthermore, the marginal 0.4% QOQ and 0.6% growth in apartment and villa rents, respectively, indicate a stabilisation with respect to future growth. For the supply of residential units, Abu Dhabi delivered 3,400 units in 2Q25, with an expected 10,400 units to be delivered by the end of the year. Consequently, Dubai added 12,000 units in 2Q25 and aims to build 22,000 units in 2H25 with c. 70.0% contribution from the apartment segment. Looking ahead, Dubai's backlog in 2Q25 indicates 134,000 units are to be delivered over the next 30 months. Meanwhile, the growing demand for luxury branded residences in Abu Dhabi and a gradual shift toward a supply-demand equilibrium in Dubai are shaping a more sustainable and mature UAE real estate market.

Aldar Properties group backlog stood at AED 62.3 Bn in 1H25, which includes AED 53.4 Bn in the UAE. Additionally, the project management service segment backlog stood at AED 86.0 Bn in 2Q25, with AED 56.9 Bn under construction. Aldar Development launched three new projects, Waldorf Astoria Residences on Yas Island, Fahid Beach Residences and The Beach House Fahid on Fahid Island in 2Q25. Emaar Properties revenue backlog reached AED 146.3 Bn in 1H25, supported by AED 45.9 Bn in property sales during the same period. Emaar Development revenue backlog stood at AED 117.7 Bn in 1H25, supported by property sales of c. AED 40.6 Bn during 1H25. The revenue backlog of RAK Properties reached AED 2.6 Bn during 1H25, supported by major projects like as Anantara Apartments, Anantara Villas, and SKAI, etc.

Revenue Backlog (AED Bn)



Source: Company Information

The UAE real estate market continued to demonstrate resilience and strong performance in 1H25, supported by robust economic fundamentals and a favourable interest rate environment. Both Dubai and Abu Dhabi recorded solid growth across residential and commercial segments, reflecting rising demand from expatriates, corporate expansions, and ongoing infrastructure investments. Strong revenue backlog from major developers, including Aldar, Emaar, and RAK Properties, further provides solid visibility for future earnings and project deliveries. However, this positive outlook is accompanied by certain underlying risks.

Although rental growth remains healthy, office markets in both cities continue to favour landlords, with limited Grade A supply and strong occupier demand maintaining tight vacancy levels. Elevated regional uncertainty may trigger fluctuations in investor confidence and soften the foreign investment. Yet, the overall UAE real estate sector is evolving toward greater maturity and sustainability, supported by diversification initiatives, regulatory transparency, and its position as a regional safe-haven for investment amidst geopolitical uncertainties.

Stock	TP	CMP	Gain	Rating	P/B (2025F)	Div. Yld (%) 2025F
Emaar Properties (AED)	17.40	13.90	**+25.2%**	**BUY**	1.32	7.4%
Emaar Development (AED)	16.00	14.70	**+8.8%**	**HOLD**	1.64	5.0%
Aldar Properties (AED)	11.00	9.50	**+15.8%**	**BUY**	1.86	2.4%
TECOM GROUP (AED)	3.90	3.31	**+17.8%**	**BUY**	1.06	5.1%

Source: FABS Estimate

Contents:

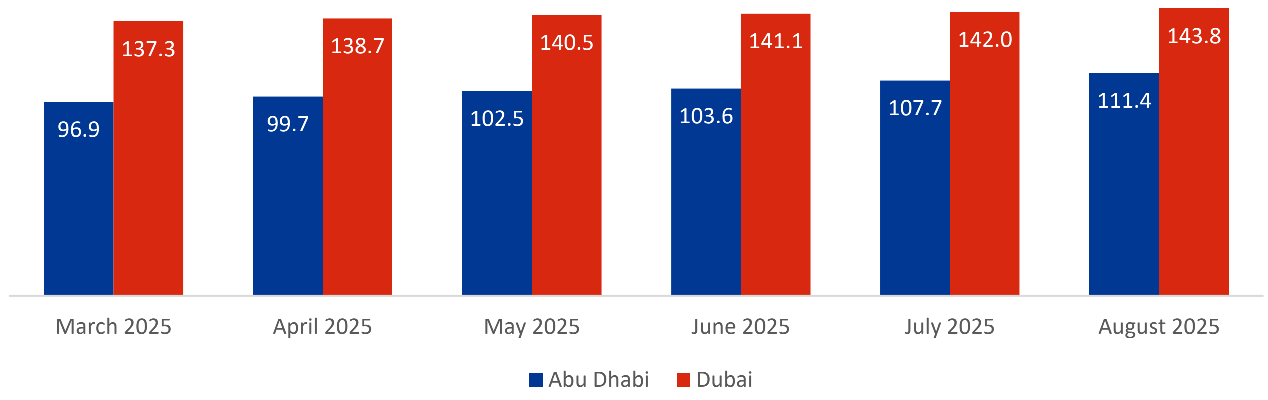
Real Estate Overview

Sales and Rent Price Indices for Residential Property

1. All Residential Market

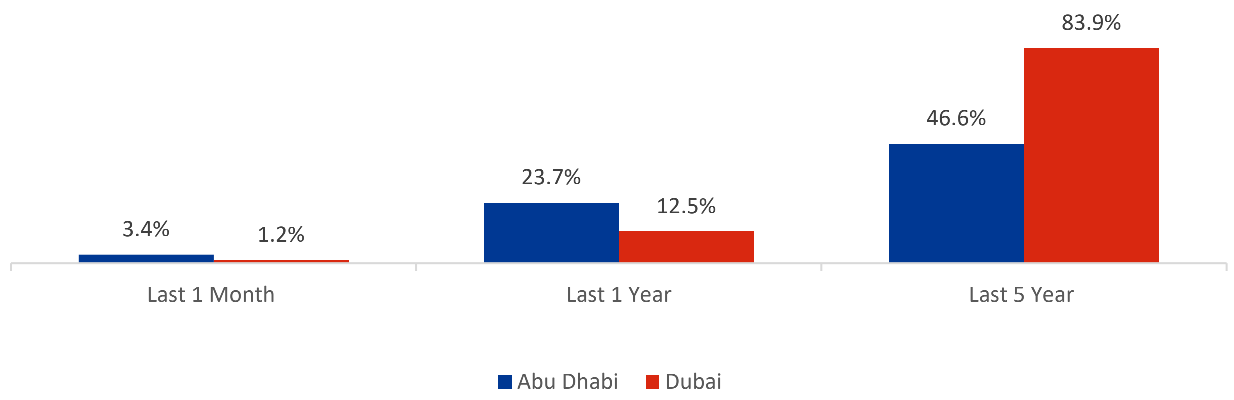
The Abu Dhabi Residential Property Sales Price Index increased from 107.7 in July 2025 to 111.4 in August 2025, while prices rose 23.7% YOY in August 2025. Furthermore, the Dubai Residential Property Sales Price increased from 142.0 in July 2025 to 143.8 in August 2025, while prices rose 12.5% YOY during August 2025.

Residential Market Sales Price Index (2014, Jan=100)



Source: Reidin

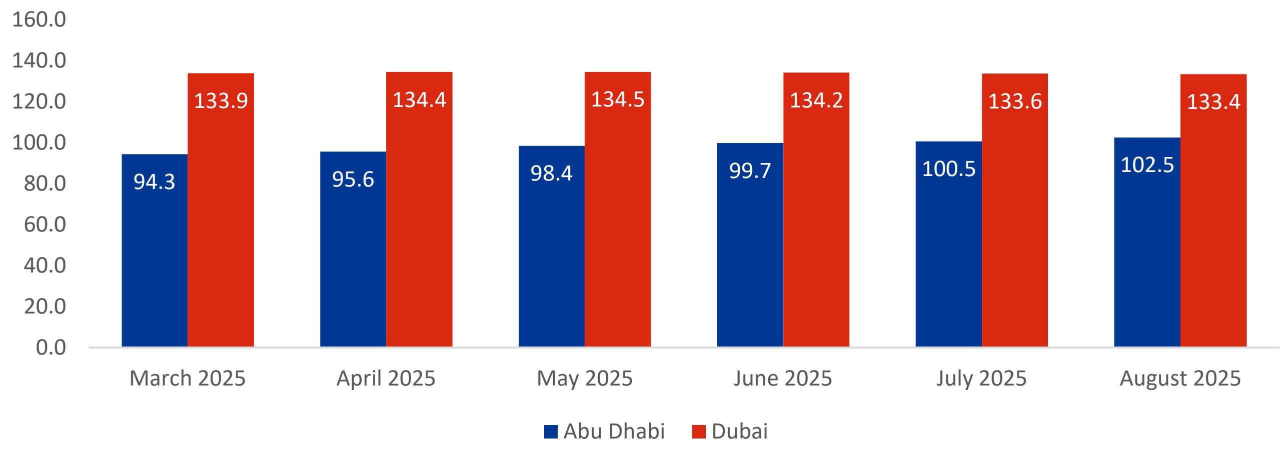
Residential Market Sales Price Changes (%)



Source: Reidin

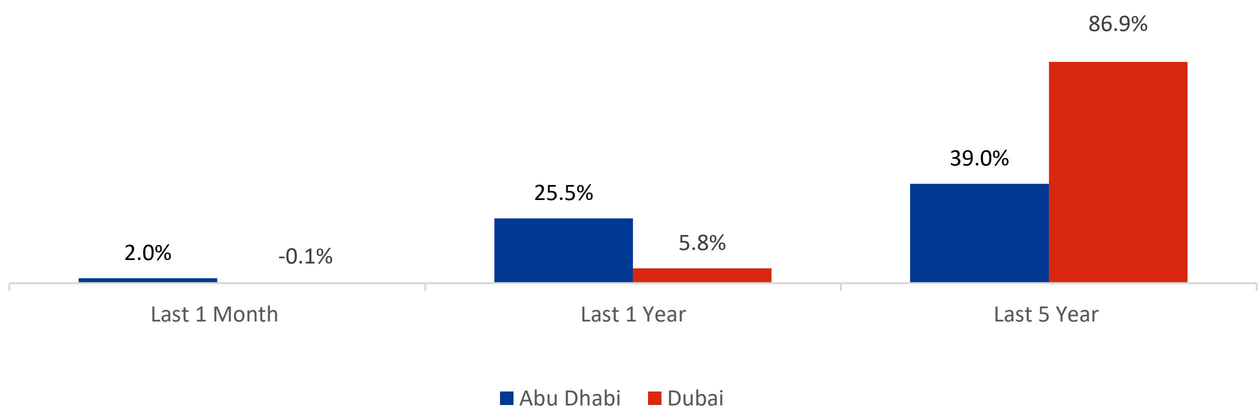
Abu Dhabi experienced growth in residential rental rates on both a YOY and a MOM basis. The Abu Dhabi Residential Property Rent Price Index increased 2.0% MOM to reach 102.5 in August 2025, while prices surged 25.5% YOY during the same period. The Dubai Residential Rent Price Index showed a decrease of 0.1% MOM, reaching 133.4, with a 5.8% YOY increase in August 2025.

Residential Market Rent Price Index (2014, Jan=100)



Source: Reidin

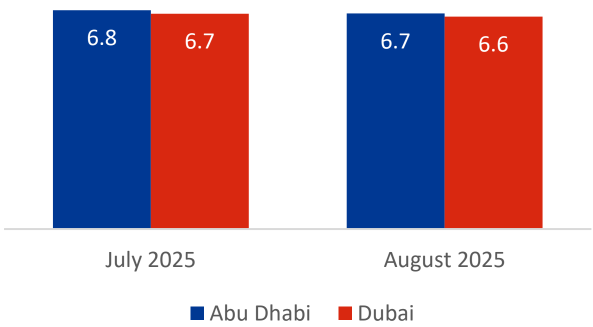
Residential Market Rent Price Changes (%)



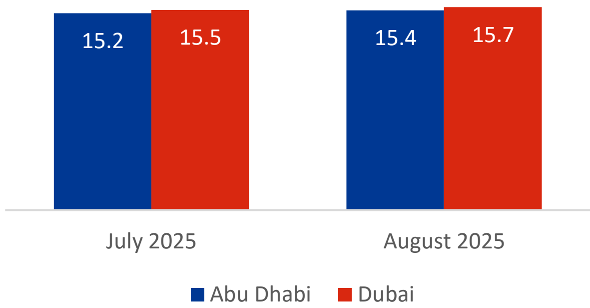
Source: Reidin

Gross rental yield for the residential market in Abu Dhabi and Dubai declined on a MOM basis in August 2025. Abu Dhabi and Dubai's Gross Rental Yield for the residential market stood a 6.7% and 6.6%, respectively in August 2025. Moreover, Abu Dhabi residential price-to-rent ratio for increased from 15.2 years in July 2025 to 15.4 years in August 2025. Similarly, Dubai's price-to-rent ratio improved from 15.5 in July 2025 to 15.7 in August 2025.

Residential Gross Rental Yield (%)



Residential Price to Rent Ratio (Years)

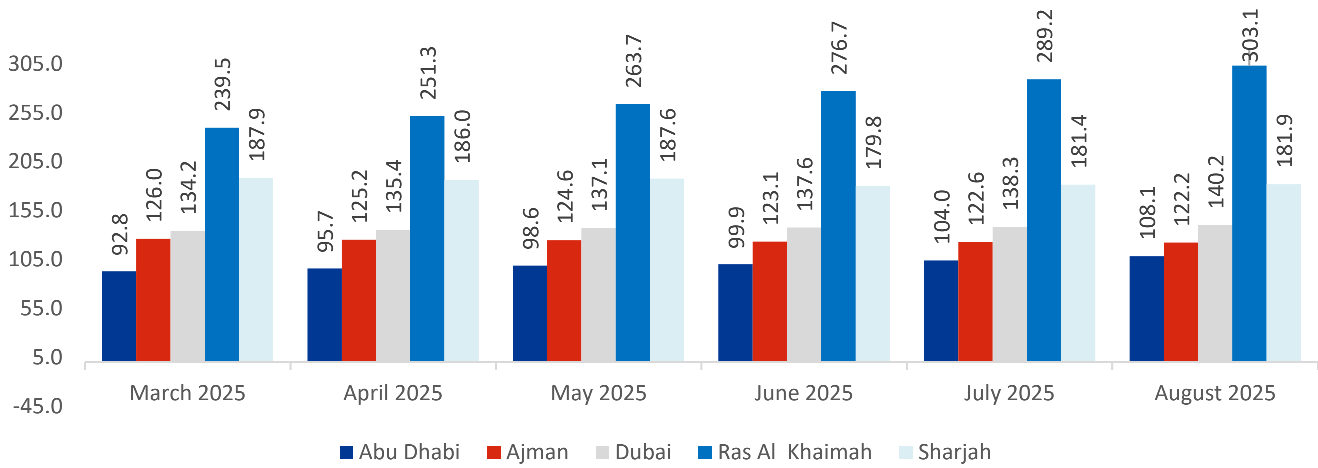


Source: Reidin

2. Apartments

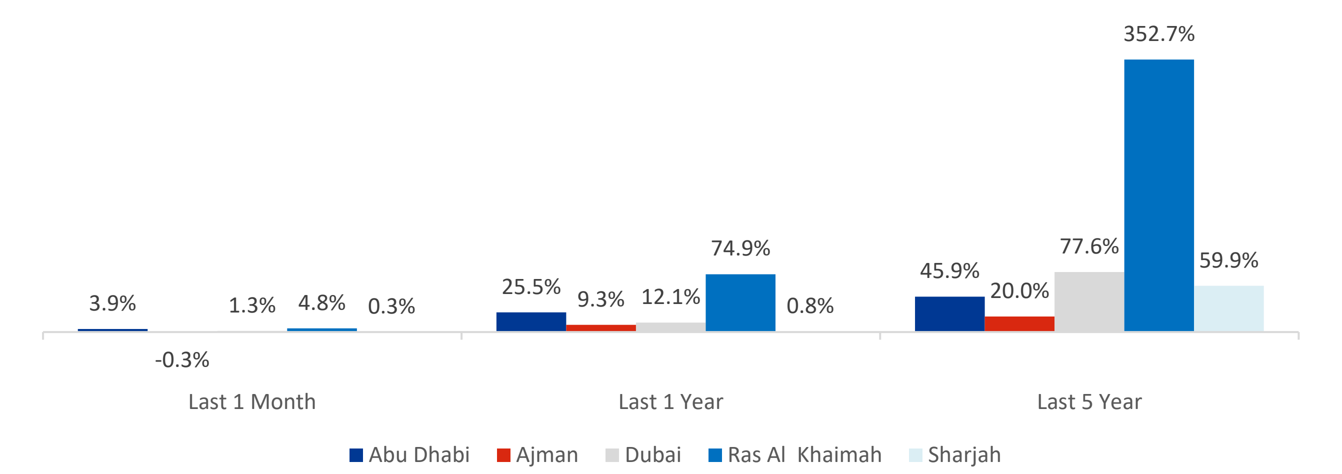
In August 2025, the apartment sale price index in the UAE recorded growth on a YOY basis across all the regions, while on a MOM basis, performance varied, with Ajman recording a decline. The Sales Price Index for apartments in Ajman marginally fell 0.3% MOM to 122.2 in August 2025. Conversely, Abu Dhabi Sales Price Index for apartments rose 3.9% MOM to 108.1 in August 2025. Dubai's index grew 1.3% MOM reaching 140.2 in August 2025. Additionally, the Sales Price Index in Ras Al Khaimah recorded the highest MOM growth of 4.8% to 303.1 in August 2025. On YOY basis, Ras Al Khaimah experienced the most significant price growth, rising 74.9% in August 2025, followed by Abu Dhabi at 25.5% YOY, and Dubai at 12.1% YOY. Ajman and Sharjah also recorded a growth of 9.3% YOY and 0.8% YOY, respectively in August 2025.

Apartment Sales Price Index (2014, Jan=100)



Source: Reidin

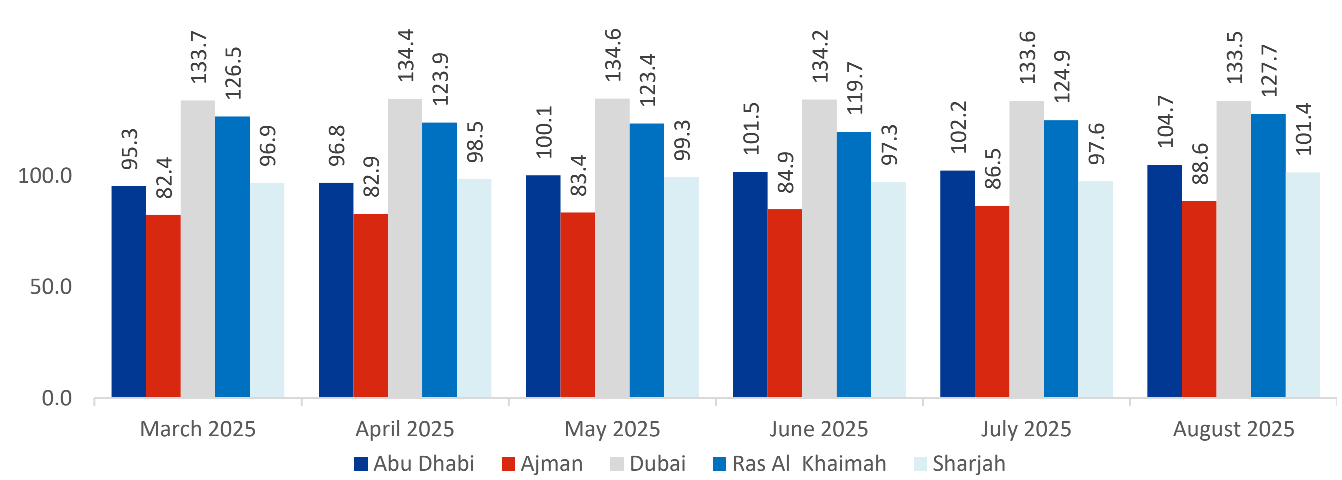
Apartment Sales Price Changes (%)



Source: Reidin

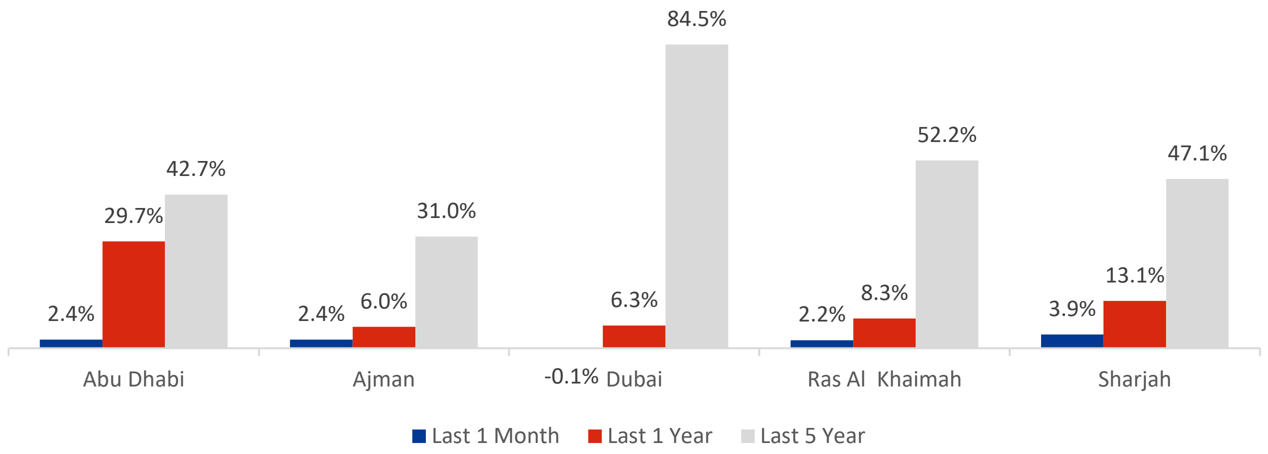
The apartment rent price index in the UAE increased on a YOY basis across all the regions in August 2025, while Dubai recorded a marginal decline on a MOM basis. Sharjah posted the strongest MOM growth in the apartment rental price index, rising 3.9% MOM to 101.4 in August 2025. Ajman's Residential Property Rent Price Index for Apartments grew 2.4% MOM and 6.0% YOY to 88.6 in August 2025. Dubai's Residential Property Rent Price Index for apartments decreased 0.1% MOM and rose 6.3% YOY to 133.5 in August 2025. Moreover, Ras Al Khaimah recorded a 2.2% MOM and 8.3% YOY increase in the Residential Property Rent Price Index for apartments to 127.7 in August 2025.

Apartment Rent Price Index (2014, Jan=100)



Source: Reidin

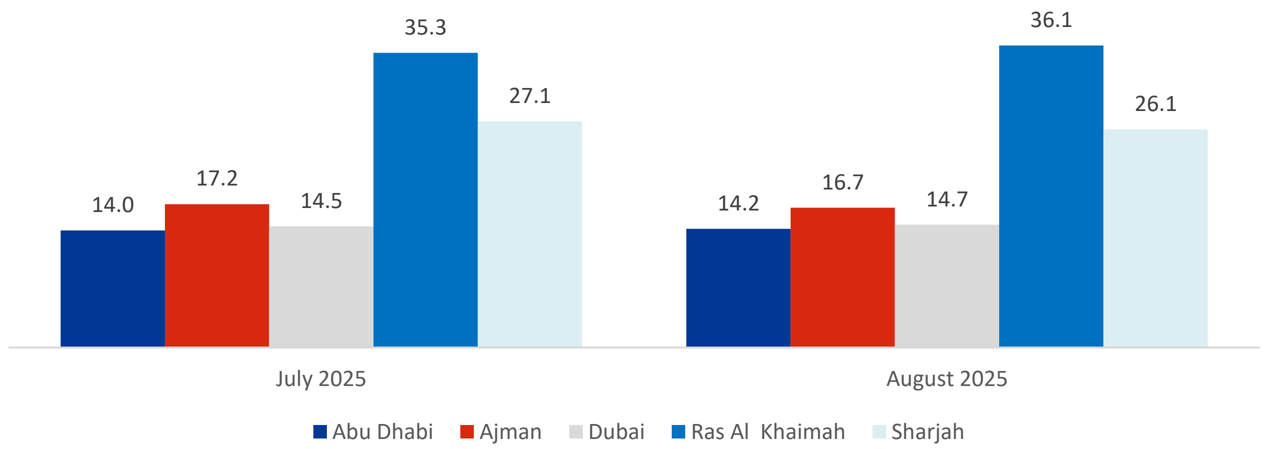
Apartment Rent Price Changes (%)



Source: Reidin

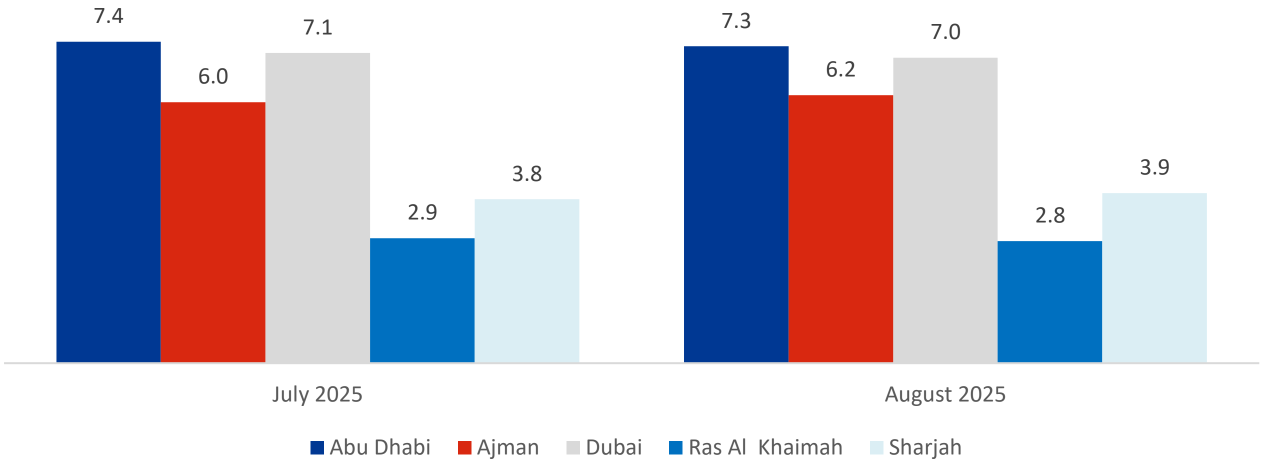
Ras Al Khaimah's Apartment Price to Rent Ratio remained the highest at 36.1 in August 2025, compared to 35.3 in July 2025, while Sharjah's price to rent ratio declined from 27.1 in July 2025 to 26.1 in August 2025. Abu Dhabi's Price to rent ratio increased from 14.0 in July 2025 to 14.2 in August 2025. However, the Ajman saw a decline from 17.2 in July 2025 to 16.7 in August 2025. The Gross Rent Yield for Abu Dhabi decreased marginally from 7.4% in July 2025 to 7.3% in August 2025, whereas Sharjah reported an increase from 3.8% in July 2025 to 3.9% to August 2025. Ajman's gross yield rates increased to 6.2% in August 2025, up from 6.0% in July 2025. Meanwhile, Dubai's gross yield rate declined from 7.1% in July 2025 to 7.0% in August 2025. Similarly, Ras Al Khaimah witnessed a decline in its gross yield rate from 2.9% in July 2025 to 2.8% in August 2025.

Apartment Price to Rent Ratios (Year)



Source: Reidin

Apartment Gross Yield Rates (%)

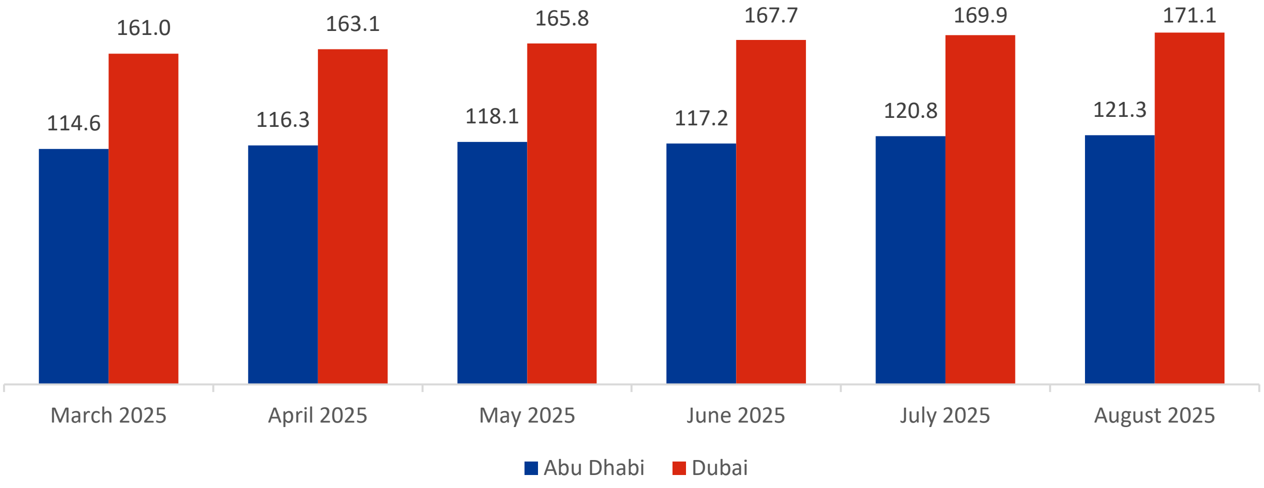


Source: Reidin

3. Villas

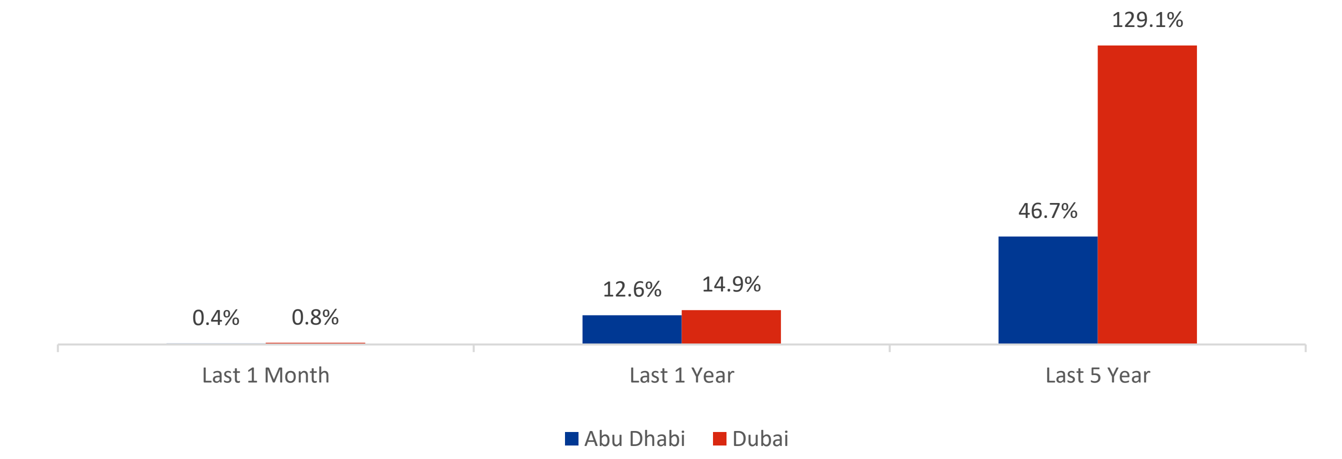
The Villa Sales price index grew in Dubai and Abu Dhabi on both the MOM and YOY basis in August 2025. The Abu Dhabi Sales Price Index for Villa rose 0.4% MOM and 12.6% YOY to 121.3 in August 2025. Similarly, the Dubai Villa Sales Price Index increased by 0.8% MOM and 14.9% YOY to 171.1 in August 2025.

Villa Sales Price Index (2014, Jan=100)



Source: Reidin

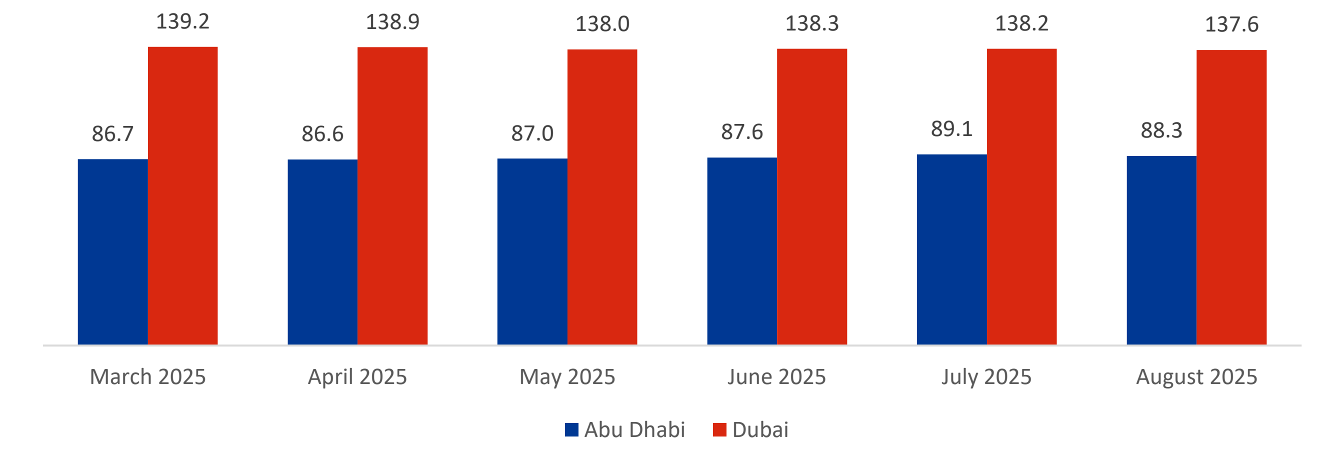
Villa Sales Price Changes



Source: Reidin

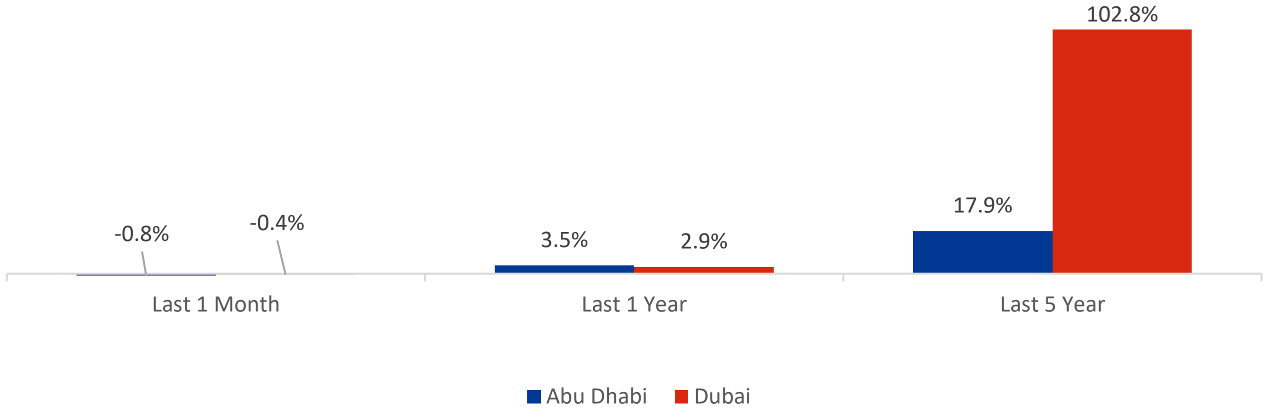
Villa rental prices in Dubai and Abu Dhabi witnessed a growth in rents on a YOY basis, but recorded a decline on MOM basis in August 2025. The Abu Dhabi Rent Price Index for Villa decreased 0.8% MOM to 88.3 in August 2025 but rose 3.5% on a YOY basis. Similarly, the Dubai Residential Property Rent Price Index for Villa declined marginally 0.4% MOM but increased 2.9% YOY to 137.6 in August 2025.

Villa Rent Price Index (2014, Jan=100)



Source: Reidin

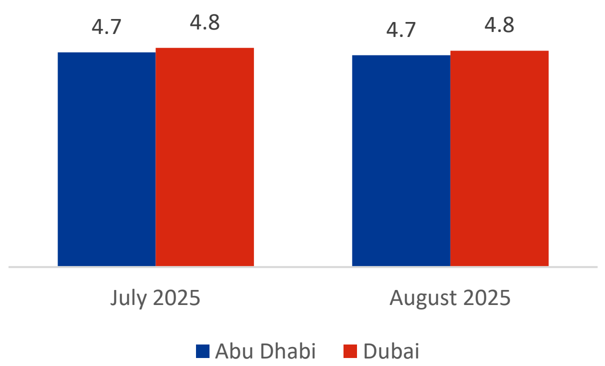
Villa Rent Price Changes



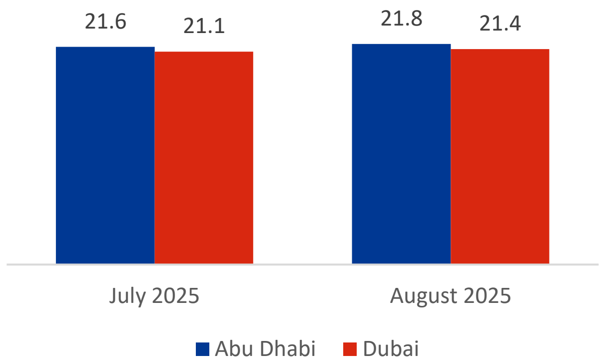
Source: Reidin

Villa Gross rental yield for Dubai and Abu Dhabi remained flat on both MOM and YOY basis in August 2025 with Abu Dhabi reporting a yield of 4.7%, while Dubai's yield stood at 4.8%. However, the villa price-to-rent ratio grew on a MOM basis, with the Abu Dhabi's ratio rising from 21.6 in July 2025 to 21.8 in August 2025. The Dubai Villa to rent ratio also rose from 21.1 reported in July 2025 to 21.4 reported in August 2025.

Villa Gross Rental Yield (%)



Villa Price to Rent Ratio (Year)

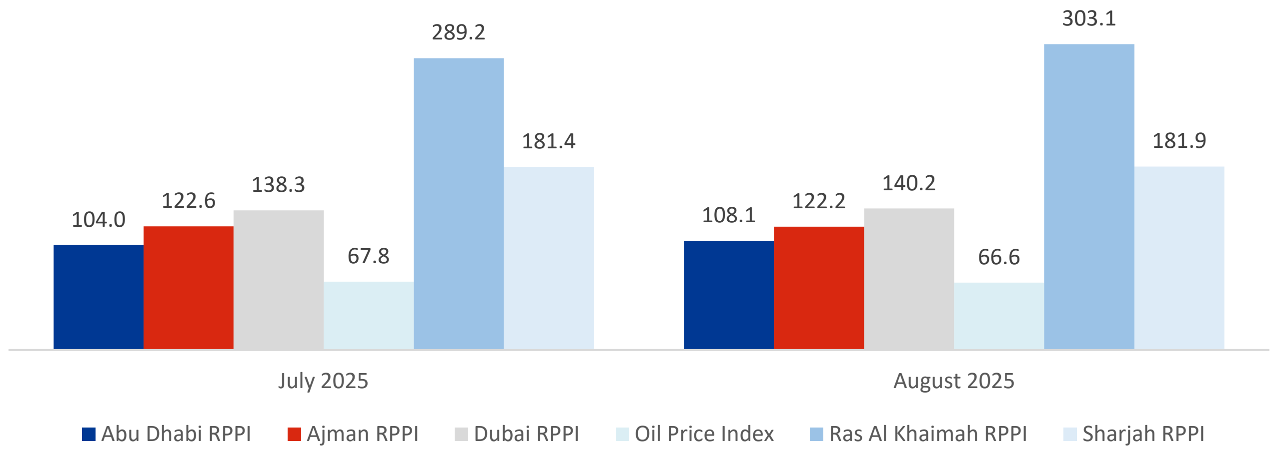


Source: Reidin

4. Different Asset Classes Return on Investment

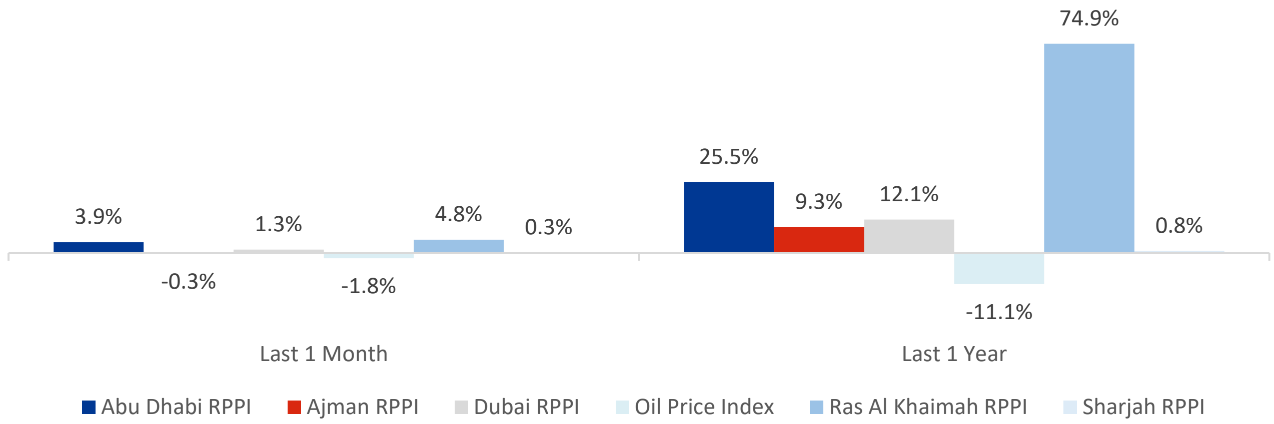
The Residential Property index grew in the UAE, experienced growth on a YOY basis, while Ajman reported a marginal decline on MOM basis. Abu Dhabi's RPPI reported a 3.9% MOM and 25.5% YOY in August 2025. Ajman RPPI grew 9.3% YOY and a marginal decline of 0.3% MOM to 122.2 in August 2025. Dubai's RPPI rose 1.3% MOM and 12.1% YOY in August 2025 to 140.2. Ras Al Khaimah RPPI reported the highest growth both on a MOM basis and on a YOY basis of 4.8% and 74.9% with the highest RPPI of 303.1. The Sharjah's RPPI increased marginally 0.3% MOM and 0.8% on a YOY to 181.9 in August 2025. However, the Oil price index declined 1.8% MOM and 11.1% to 66.6.

Residential Property Price Indices (RPPI) and Financial Indicators



Source: Reidin
Note: Oil price index based on OPEC basket price.

Residential Property Price Indices (RPPI) and Financial Indicators Changes (%)



Source: Reidin
Note: Oil price index based on OPEC basket price.

Macro Backdrop in the UAE

Real Estate and UAE Macroeconomic Outlook

Dubai Real Estate Market Sets All-Time High with AED 327 Bn Sales in 1H25

Dubai's real estate market reached record highs during 1H25, with 98,603 property sales totalling AED 327 Bn, a 40% YOY increase. The increase was primarily due to a record-breaking quarterly performance in 2Q25, which witnessed 53,118 transactions totalling AED 184 Bn. The key sales included AED 66.5 Bn in villas (up 38%), AED 81.6 Bn in apartments (up 19%), and AED 32.2 Bn in plots (up 49%) during 2Q25. Moreover, the median property price rose to AED 1,607 per square foot, up from AED 958 in 2021. The most expensive transactions featured a Palm Jumeirah villa sold for AED 365 Mn and a Peninsula apartment for AED 170 Mn.

Al Hamra Launches AED 3 Bn Residential Projects in Ras Al Khaimah

Al Hamra, a leading lifestyle developer in Ras Al Khaimah, launched two premium residential projects, Al Hamra Greens and Aila Homes, with an investment exceeding AED 3 Bn. Al Hamra Greens offers 1,754 wellness-focused apartments with gardens and sports courts, while Aila Homes features 200 upscale 3- and 4-bedroom townhouses with private gardens. Both projects are in high demand, with over 38% of units sold pre-launch, and are part of Al Hamra's integrated ecosystem, which includes a golf course and luxury hotels.

Dubai Real Estate Market Surpasses USD 117 Bn in 1H25

Dubai's real estate sector experienced significant growth in 1H25, with 125,538 transactions valued at AED 431 Bn, a 25% YOY increase from 1H24. The market attracted 94,717 investors, including 59,075 new ones who invested AED 157 Bn, marking a 40% rise. UAE residents accounted for 45% of new investors, and women contributed AED 73.2 Bn during 1H25. Foreign investments reached AED 228.35 Bn, with GCC investors accounting for AED 22.56 Bn and Arab investors contributing AED 28.4 Bn during 1H25. The Dubai Land Department is further focusing on enhancing transparency and digital services as part of its Real Estate Strategy 2033.

Dubai Residential Property Values Rose 14% YOY in 2Q25

Dubai's residential real estate market saw a 14% YOY rise in property values in 2Q25, driven by strong investor demand and an influx of high-net-worth individuals (HNWIs). The surge in values was primarily driven by properties in premium neighbourhoods, which continued to witness substantial price appreciation. In 1H25, residential transactions totalled AED 270 Bn, a 23% YOY increase. Programs like the "First-Time Home Buyer Program" have supported homeownership, and the UAE is expected to attract over 9,800 millionaires in 2025, further boosting the luxury market.

Aldar Sells Ultra-Luxury Faya Al Saadiyat Mansion for Record USD 109 Mn

Aldar achieved a record with the AED 400 Mn (USD 109 Mn) sale of an ultra-luxury eight-bedroom mansion in Faya Al Saadiyat, an exclusive beachfront community on one of the last remaining villa plots on Saadiyat Island, marking the most expensive residential transaction ever recorded in Abu Dhabi. Strategically located along Saadiyat Island's pristine coastline and adjacent to the Saadiyat Beach Golf Club, the 6,561 sqm mansion embodies Aldar's commitment to redefining luxury living through architectural excellence, exceptional privacy, and panoramic 360-degree views of the sea and surrounding greenery.

TECOM Invests USD 436 Mn to Expand Dubai Industrial City Land Bank

TECOM Group is acquiring 138 land plots totalling 33 Mn square feet from Dubai Holding Asset Management for AED 1.6 Bn. This deal is expected to expand the Group's land portfolio to over 209 Mn square feet, supporting the growing industrial sector. The latest investment brings the group's total investments in its commercial and industrial portfolio to AED 4.3 Bn since 2024. TECOM plans to fund the acquisition using its existing resources under a flexible repayment structure and expects to begin recognising revenue from the expanded land bank within the next 12-24 months. Upon completion of the acquisition, the group expects to maintain a strong liquidity profile and prudent leverage position.

Abu Dhabi Real Estate Transactions Surpass USD 16.6 Bn in 2025

According to DARI, Abu Dhabi's real estate market experienced strong activity in 2025, with total transactions reaching AED 61.15 Bn across 16,873 deals. Real estate sales amounted to AED 34.95 Bn with 9,210 transactions, while mortgage deals totalled AED 23.16 Bn through 7,399 transactions. Usufruct transactions contributed AED 2.93 Bn for 245 properties. Of the sales, AED 18.4 Bn came from ready properties and AED 22.6 Bn from off-plan properties. Mortgage activity alone recorded 9,836 deals valued at AED 26.2 Bn, highlighting strong investor interest in both residential and off-plan segments.

UAE Developer Arada Acquires 75% Stake in UK's Regal for USD 681 Mn

Arada acquired a 75% stake in British firm Regal for AED 2.5 Bn, rebranding it as Arada London. Regal has 10,000 properties across 11 projects and aims to triple its UK offerings in three years. This move follows a trend of Gulf developers investing in the UK. Established in 2017, Arada's projects in the UAE and Australia are valued at over AED 95 Bn, with plans to enter Saudi Arabia by mid-2026.

Aldar Properties Acquires Modon's 17.45% Stake in Aldar Estates

Aldar Properties acquired Modon Holding's 17.45% stake in Aldar Estates, raising its total ownership to 82.55%. Financial terms of the deal are not disclosed. This acquisition aims to capitalize on the growing demand for facilities and property management services. Modon's property and facilities management operations will continue to function separately under Modon Communities.

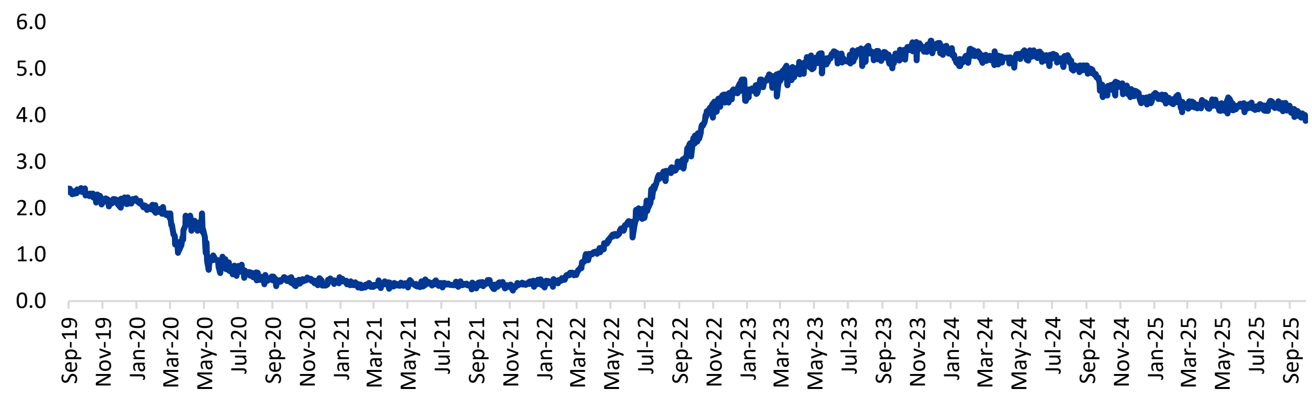
Ajman Real Estate Transactions increased 37% in 1H25

According to the Department of Land and Real Estate Regulation, Ajman's real estate sector reported AED 12.4 Bn in transactions in the 1H25, recording a 37% YOY increase. Sheikh Abdulaziz bin Humaid Al Nuaimi, Chairman of the department, noted the sector's vital role in the emirate's economic growth and reaffirmed Ajman's position as a key investment destination, driven by rising property demand.

EIBOR

During its September 2025 policy meeting, the US Federal Reserve delivered its first rate cut of the year, lowering the federal funds rate by 25 bps to 4.00%-4.25%. This move came after five consecutive meetings in which rates were held steady at 4.25%-4.50% since December 2024. The decision reflects the Fed's response to moderating inflation, slowing global growth, and emerging signs of labour market softness. Looking ahead, markets broadly expect the Fed to implement two more cuts before the end of 2025, while emphasizing that the pace and extent of further easing will remain contingent on incoming economic data and evolving financial conditions. Given the AED's US dollar peg, the Central Bank of the UAE (CBUAE) mirrored the Fed's stance in September, reducing its overnight deposit base rate to 4.15 %. The 3-month EIBOR declined from 4.20% at the end of August 2025 to 3.88% as of 30 September 2025, continuing its downward trend since the beginning of the year when it stood at 4.44% on 1 January 2025. This easing in rates is expected to lower the interest burden on consumers and businesses, thereby supporting loan growth in the upcoming period.

3-month EIBOR (%), September 2019 – September 2025



Source: CBUAE

Oil Outlook

Brent crude oil prices fluctuated at the bandwidth of USD 73 to USD 66 per barrel in 3Q25, ultimately trading at USD 69 per barrel on September 26, 2025 marking a 2.7% QTD growth. Brent crude prices rose 7.3% MOM to USD 72.53/bbl in July 2025, driven by strong US summer travel demand, steady consumption in the US and China, and heightened concerns over potential supply disruptions from geopolitical risks, including possible sanctions on Russia and drone attacks in Iraqi Kurdistan. The gains were partially offset by increased production from Saudi Arabia, OPEC+ plans to phase out output cuts, and Iraq's resumption of exports to Kurdistan via Turkey. During the mid-month, prices eased as markets downplayed US tariff threats on Russian oil, but momentum returned toward the month-end on optimism over global trade prospects and easing tensions with China and the EU. In August 2025, Brent crude fell 6.3% MOM to USD 67.98/bbl, pressured by demand concerns and OPEC+'s decision to raise September output by 547 kb/d, heightening oversupply fears. Prices weakened further on worries over higher US tariffs and progress toward a Russia-Ukraine peace deal. In mid-month, prices rebounded as Ukrainian strikes on Russian energy infrastructure stoked supply disruption risks, alongside a larger-than-expected draw in US inventories. However, oil demand softened toward the end of the month with the close of the US summer driving season, leading to renewed downward pressure. In September 2025, oil prices were highly volatile but ultimately ended the month higher with an increase of 1.9% MOM to USD 69.43/bbl. In the first week, prices rose as Ukrainian drone strikes shut down 17% of Russia's oil processing capacity, raising supply concerns, before easing when OPEC+ announced plans to increase supply. In the second week, prices rebounded as the actual production increase stood smaller than expected at 137k bpd, compared to 555k bpd in the prior two months. Mid-month, prices gained further momentum, supported by Israel's strike on Hamas leaders in Qatar, U.S. pressure on Europe to impose tariffs on Russian oil buyers, strong refinery demand in China, and a decline in U.S. inventories. Later in the month, prices briefly softened as demand concerns outweighed optimism from the Federal Reserve's 25 bps rate cut, despite its guidance for two additional cuts in 2025. By month-end, prices climbed again, driven by a further drop in U.S. crude inventories and Russia's extension of its gasoline export ban, along with partial diesel export restrictions until year-end, in response to domestic shortages. As a result, Brent crude prices recorded 2.7% QTD growth, closing at USD 69/bbl on September 26, 2025.

Brent Crude Prices (USD/bbl), January 2025 – September 2025

Source: IEA

Relative valuation and rating

We maintain MARKET WEIGHT on the real-estate companies under our coverage with 3x BUY and 1x HOLD rating. The 2025F P/B multiples for the below stocks range between Tecom Group (1.06x) and Aldar Properties (1.86x). Emaar Properties 2025F dividend yield is the highest at 7.4%, followed by Emaar Development at 4.9%, Tecom Group at 5.2%, and Aldar Properties at 2.3%.

Stock	TP	CMP	Gain	Rating	P/B (2025F)	Div. Yld (%) 2025F
Emaar Properties (AED)	17.40	13.60	**+25.2%**	**BUY**	1.32	7.4%
Emaar Development (AED)	16.00	15.00	**+6.7%**	**HOLD**	1.64	4.9%
Aldar Properties (AED)	11.00	9.55	**+15.2%**	**BUY**	1.86	2.3%
TECOM GROUP (AED)	3.90	3.26	**+19.6%**	**BUY**	1.06	5.2%

Source: FABS Estimate

3Q25 preview: Emaar properties

High Property Sales and Recurring Revenue to Drive Top Line Growth

Current Price	12-m Target Price	Upside/Downside (%)	Rating
AED 13.90	AED 17.40	+25.2%	BUY

3Q25 estimate

Emaar Properties (EMAAR/the Company) net profit is expected to grow 13.9% YOY to AED 3,624 Mn in 3Q25, owing to an estimated rise in revenue, finance income, other income and lower other operating expenses, partially offset by an increase in the cost of revenue, selling and G&A expenses, depreciation charges, finance cost coupled with a rise in NCI and tax expense. The Company's revenue is anticipated to increase 13.1% YOY to AED 10,614 Mn in 3Q25, driven by a projected increase in revenue across all its segments. Cost of revenue is estimated to grow 11.1% YOY to AED 4,589 Mn in 3Q25. Thus, gross profit is expected to rise 14.7% YOY to AED 6,025 Mn in 3Q25. The Company's other operating income is estimated to marginally grow 0.5% YOY to AED 186 Mn in 3Q25. In contrast, other operating expenses are anticipated to decline from AED 95 Mn in 3Q24 to AED 69 Mn in 3Q25. Moreover, the selling and G&A expenses are estimated to increase 5.0% YOY to AED 838 Mn in 3Q25. As a result, EBITDA is projected to grow from AED 4,544 Mn in 3Q24 to AED 5,303 Mn in 3Q25 with an expected expansion in EBITDA margin of 154 bps YOY to 50.0% in 3Q25. The Company's operating profit is projected to grow 16.9% YOY to AED 4,909 Mn in 3Q25. Depreciation on PPE is expected to increase 15.7% YOY to AED 173 Mn, while depreciation on IP is predicted to grow 13.6% YOY to AED 220 Mn in 3Q25. Finance income is anticipated to rise 20.5% YOY to AED 666 Mn, while finance cost is expected to increase 30.5% YOY to AED 233 Mn in 3Q25. Furthermore, the Company is estimated to report other income of AED 159 Mn in 3Q25, compared to other income of AED 111 Mn in 3Q24. The Company's share of profit from associates is expected at AED 70 Mn in 3Q25 compared to a loss of AED 13 Mn in 3Q24. Income tax expenses are anticipated to grow to AED 808 Mn in 3Q25, down from AED 461 Mn in 3Q24. Profit attributable to NCI is projected to increase 10.7% YOY to AED 1,139 Mn in 3Q25.

2025 forecast

EMAAR's net profit is predicted to grow 7.0% YOY to AED 14,460 Mn in 2025, driven by an anticipated rise in revenue, other operating income, finance income, share of associate profits and lower finance cost, partially offset by an anticipated increase in the cost of revenue, depreciation charges, coupled with higher tax expenses and an increase in the share of NCI. EMAAR's revenue is anticipated to grow 16.0% YOY to AED 41,190 Mn in 2025, owing to an expected rise in revenue across all its segments. The Company's cost of revenue is expected to increase 19.1% YOY to AED 18,020 Mn in 2025. As a result, gross profit is likely to increase 13.7% YOY to AED 23,171 Mn in 2025. EMAAR's other operating income is projected to grow 7.0% YOY to AED 700 Mn in 2025, while the other operating expenses are predicted to increase 3.2% YOY to AED 247 Mn in 2025. Selling, G&A expenses are estimated to marginally increase 1.9% YOY to AED 3,295 Mn in 2025. Resultantly, the EBITDA is expected to grow 5.5% YOY to AED 20,329 Mn in 2025, whereas the EBITDA margin is anticipated to shrink 494 bps YOY to 49.4% in 2025. Operating profit is predicted to rise 16.4% YOY to AED 18,782 Mn in 2025. Depreciation of PPE is estimated to increase 9.1% YOY to AED 682 Mn, while depreciation of IP is expected to rise 7.9% YOY to AED 865 Mn in 2025. Moreover, the Company's finance income is anticipated to grow 27.3% YOY to AED 2,677 Mn in 2025. On the other hand, the finance cost is predicted to fall 2.8% YOY to AED 914 Mn in 2025. Other income is expected to significantly decline 48.4% YOY to AED 824 Mn in 2025. Furthermore, the Company's share of associates is projected to increase substantially from AED 6 Mn in 2024 to AED 313 Mn in 2025. Income tax expenses are expected to rise from AED 1,451 Mn in 2024 to AED 3,144 Mn in 2025. Profit attributable to NCI is projected to rise 3.6% YOY to AED 4,078 Mn in 2025.

2Q25 outturn

Emaar Properties' revenue boosted 26.7% YOY to AED 9,736 Mn in 2Q25, mainly driven by a solid rise in property sales and recognition of backlog, along with robust performance across retail, hospitality, and international operations. Revenue from the sale of residential units increased 29.9%

YOY to AED 6,852 Mn in 2Q25, supported by the launch of 25 projects across the UAE, with property sales rising 37% YOY to AED 40.6 Bn in 1H25. Additionally, revenue backlog from property sales rose to AED 146.3 Bn, as of 2Q25. Revenue from the sale of Commercial units rose significantly 53.6% YOY to AED 366 Mn in 2Q25. The hospitality segment reported a 21.7% YOY increase in revenue to AED 525 Mn in 2Q25, driven by strong tourism activity and high domestic demand. Additionally, average hotel occupancy across Emaar's UAE properties reached 80% in 1H25. Revenue from leased properties, retail and related income grew 14.5% YOY to AED 1,993 Mn in 2Q25, primarily driven by continued growth in tenant sales and consistently strong occupancy across key assets. Emaar's cost of revenue increased 30.2% YOY to AED 4,331 Mn in 2Q25. This is higher than the growth in revenue owing to a change in the revenue mix. As a result, gross profit rose 24.0% YOY to AED 5,405 Mn in 2Q25. Other operating income increased 20.3% YOY to AED 180 Mn in 2Q25, while other operating expenses rose 35.4% YOY to AED 63 Mn. SG&A expenses fell 6.8% YOY to AED 748 Mn in 2Q25. Emaar's total EBITDA grew 38.2% YOY to AED 4,962 Mn in 2Q25. Moreover, EBITDA margin improved from 46.7% in 2Q24 to 51.0% in 2Q25. The Company's operating profit boosted 31.9% YOY to AED 4,370 Mn in 2Q25. Depreciation on PPE grew 8.4% YOY to AED 175 Mn in 2Q25, while depreciation on investment properties rose 25.8% YOY to AED 229 Mn. Meanwhile, finance income rose 31.0% YOY to AED 697 Mn in 2Q25 due to higher returns from bank deposits and securities, whereas finance costs declined 12.3% YOY to AED 226 Mn in 2Q25. Furthermore, the Company reported a profit from associates of AED 82 Mn in 2Q25 compared to a loss of AED 61 Mn in 2Q24. Other income improved to AED 67 Mn in 2Q25 compared to a loss of AED 38 Mn in 2Q24. Income tax expense more than doubled from AED 354 Mn in 2Q24 to AED 746 Mn in 2Q25. Additionally, the share of profit attributable to non-controlling interest holders increased 21.9% YOY to AED 873 Mn in 2Q25.

Target price and recommendation

We maintain our BUY rating on Emaar Properties with a target price of AED 17.40. Emaar delivered strong financial and operational performance in 2Q25, driven by solid product launches, which resulted in robust property sales along with strong execution of backlog and sustained recurring revenues. Emaar's property sales rose 37% YOY to AED 40.6 Bn in 2H25. This was underpinned by the successful launch of 25 projects across all master plans in the UAE. The revenue backlog from property sales reached AED 146.3 Bn in 2Q25, recording 62% YOY growth. Of this, AED 128.6 Bn is attributed to UAE-based projects, indicating strong domestic demand. Emaar anticipates the strong property sales momentum from 1H25 to carry through into 2H25 and, if sustained, to drive solid growth in 2026 as well. Recurring revenue streams, including malls, hospitality, leisure, entertainment, and commercial leasing, witnessed solid growth in 2Q25 due to healthy tourism activity and strong occupancy levels. Mall assets maintained a healthy average occupancy rate of 98% in 1H25, while hotel occupancy in the UAE averaged 80%. The hospitality segment saw strong performance, supported by the addition of two new hotels comprising over 600 keys. Shopping malls, retail, and commercial leasing operations contributed AED 1.7 Bn in revenue, with EBITDA reaching AED 1.5 Bn during 2Q25. Emaar's international real estate operations generated AED 2.5 Bn in property sales and AED 517 Mn in revenue during 2Q25, driven by strong demand in India and Egypt. The Company also declined to divest its stake in its Indian entity and is currently in discussions to establish a joint venture with Indian business groups. Looking ahead, Emaar plans a total capital expenditure of AED 60–70 Bn over the next five years, of which c. AED 30 Bn will be spent on land acquisitions, with a portion already spent this year, including AED 3 Bn spent on the recent Ras Al Khor land purchase. Meanwhile, the Dubai Creek Harbour Mall is planned to open by 2029, while the tower is still under design review and won't be completed before 2029. Additionally, Emaar is expected to maintain dividends of AED 1 per share for 2025 and 2026. Thus, based on our analysis, we assign a BUY rating on the stock.

Emaar Properties – Relative Valuation

(at CMP)	2020	2021	2022	2023	2024	2025F
PE (X)	46.17	29.27	17.59	10.34	8.90	8.31
PB (X)	1.75	1.80	1.85	1.55	1.41	1.32
EV / EBITDA	38.35	16.25	14.54	7.91	6.28	5.88
BVPS (AED)	7.754	7.545	7.366	8.794	9.665	10.300
EPS (AED)	0.295	0.465	0.773	1.316	1.529	1.636
DPS (AED)	0.100	0.150	0.250	0.500	1.000	1.000
Dividend yield (%)	0.7%	1.1%	1.8%	3.7%	7.4%	7.4%

FABS estimate & Co Data

Emaar Properties - P&L

AED Mn	3Q24	2Q25	3Q25F	YOY Ch	QOQ Ch	2024	2025F	Change
Revenue	9,385	9,736	10,614	13.1%	9.0%	35,505	41,190	16.0%
Cost of revenue	-4,133	-4,331	-4,589	11.1%	6.0%	-15,124	-18,020	19.1%
Gross profit	**5,253**	**5,405**	**6,025**	**14.7%**	**11.5%**	**20,381**	**23,171**	**13.7%**
Other operating income	185	180	186	0.5%	3.3%	654	700	7.0%
Other operating expenses	-95	-63	-69	-27.0%	9.4%	-239	-247	3.2%
SG&A expenses	-799	-748	-838	5.0%	12.1%	-3,232	-3,295	1.9%
EBITDA	**4,544**	**4,962**	**5,303**	**16.7%**	**6.9%**	**19,277**	**20,329**	**5.5%**
EBIT	**4,201**	**4,370**	**4,909**	**16.9%**	**12.3%**	**16,136**	**18,782**	**16.4%**
Depreciation of PPE	-149	-175	-173	15.7%	-1.2%	-625	-682	9.1%
Depreciation of IP	-194	-229	-220	13.6%	-3.6%	-802	-865	7.9%
Finance income	553	697	666	20.5%	-4.3%	2,102	2,677	27.3%
Finance cost	-179	-226	-233	30.5%	3.1%	-941	-914	-2.8%
Other income	111	67	159	43.8%	136.9%	1,596	824	-48.4%
Share of assoc. profits/(-loss)	-13	82	70	NM	-15.0%	6	313	NM
Profit before tax	**4,673**	**4,990**	**5,572**	**19.2%**	**11.7%**	**18,900**	**21,682**	**14.7%**
Income tax	-461	-746	-808	75.1%	8.3%	-1,451	-3,144	NM
Profit for the period	**4,212**	**4,244**	**4,764**	**13.1%**	**12.3%**	**17,449**	**18,538**	**6.2%**
Non-controlling interests	-1,029	-873	-1,139	10.7%	30.5%	-3,935	-4,078	3.6%
Profit to shareholders	**3,183**	**3,371**	**3,624**	**13.9%**	**7.5%**	**13,514**	**14,460**	**7.0%**

FABS estimate & Co Data

Emaar Properties - Margins

	3Q24	2Q25	3Q25F	YOY Ch	QOQ Ch	2024	2025F	Change
Gross Profit	56.0%	55.5%	56.8%	79	124	57.4%	56.3%	-115
EBITDA	48.4%	51.0%	50.0%	154	-101	54.3%	49.4%	-494
Operating Profit	44.8%	44.9%	46.3%	150	137	45.4%	45.6%	15
Net Profit	33.9%	34.6%	34.1%	24	-47	38.1%	35.1%	-296

FABS estimate & Co Data

3Q25 preview: Emaar Development

Robust backlog and easing funding costs to drive profitability

Current Price	12-m Target Price	Upside/Downside (%)	Rating
AED 14.70	AED 16.00	+8.8%	HOLD

3Q25 Estimate

Emaar Development's (EMAARDEV/the Company) net profit is estimated to increase 11.7% YOY to AED 2,311 Mn in 3Q25. The rise in net profit is primarily attributable to an expected increase in revenue, other income, and higher share from joint ventures, coupled with a decrease in finance costs and lower share to NCI, partially offset by increases in cost of revenue, S&G expenses, and tax charges. The Company's revenue is expected to increase significantly from AED 5,140 Mn in 3Q24 to AED 6,002 Mn in 3Q25, mainly due to an anticipated growth in sales of residential and commercial units. The Company's cost of revenue is expected to grow 17.2% YOY to AED 2,581 Mn in 3Q25. Thus, gross profit is expected to increase 16.4% YOY to AED 3,421 Mn in 3Q25. Furthermore, we expect gross margins to decline 17 bps YOY to 57.0% in 3Q25. S&G expenses are forecasted to rise 31.0% YOY to AED 528 Mn in 3Q25. Operating profit is anticipated to increase from AED 2,535 Mn in 3Q24 to AED 2,893 Mn in 3Q25. EMAARDEV's EBITDA is projected to grow 15.6% YOY to AED 3,026 Mn in 3Q25. However, EBITDA margin is anticipated to shrink 51 bps YOY to 50.4% in 3Q25. EMAARDEV's finance income is expected to grow marginally 0.3% YOY to AED 356 Mn in 3Q25. Finance cost is likely to decline from AED 86 Mn in 3Q24 to AED 43 Mn in 3Q25. The Company's other income is forecasted to increase 35.2% YOY to AED 51 Mn in 3Q25. The share of results from joint ventures is expected to rise from AED 43 Mn in 3Q24 to AED 80 Mn in 3Q25. Tax expenses are expected to increase from AED 255 Mn in 3Q24 to AED 484 Mn in 3Q25. EMAARDEV's profit share to NCI is projected to decline 3.4% YOY to AED 542 Mn in 3Q25.

2025 Forecast

EMAARDEV's net profit is expected to rise 12.0% YOY to AED 8,548 Mn in 2025, mainly driven by an anticipated increase in revenue, finance income, other income, and share of result of joint venture, along with a decrease in finance cost and NCI partially offset by an expected rise in cost of revenue, S&G expenses, and tax expenses. EMAARDEV's revenue is forecasted to increase 19.3% YOY to AED 22,848 Mn in 2025, supported by an anticipated increase in the sale of residential and commercial properties. The cost of revenue is expected to grow 18.9% YOY to AED 10,099 Mn in 2025. Thus, gross profit is projected to increase 19.6% YOY to AED 12,749 Mn in 2025. The Company's S&G expenses are estimated to rise from AED 1,609 Mn in 2024 to AED 1,942 Mn in 2025. As a result, operating profit is projected to increase 19.4% YOY to AED 10,807 Mn in 2025. EMAARDEV's EBITDA is expected to expand 20.1% YOY to AED 11,319 Mn in 2025. The Company's finance income is anticipated to rise 16.2% YOY to AED 1,348 Mn in 2025. Finance cost is projected to decline 55.9% YOY to AED 177 Mn in 2025. EMAARDEV's other income is expected to increase from AED 174 Mn in 2024 to AED 194 Mn in 2025. Share of results of joint ventures is anticipated to rise 58.0% YOY to AED 307 Mn in 2025. The Company's corporate tax is expected to increase significantly from AED 486 Mn in 2024 to AED 1,809 Mn in 2025. Share of NCI is anticipated to increase 3.3 % YOY to AED 2,121 Mn in 2025.

2Q25 Outturn

Emaar Development's revenue surged 28.0% YOY to AED 4,905 Mn in 2Q25, primarily driven by a significant increase in the sale of property, as well as the sale of residential units, commercial units, plots of land, and development services. Revenue from the sale of residential units rose substantially from AED 3,595 Mn in 2Q24 to AED 4,560 Mn in 2Q25, while revenue from commercial unit sales, plots of land, and development services grew from AED 236 Mn in 2Q24 to AED 345 Mn in 2Q25. The Company's cost of revenue increased 19.7% YOY to AED 2,169 Mn in 2Q25. As a result, gross profit rose sharply 35.5% YOY to AED 2,737 Mn in 2Q25, while gross margins expanded from 52.7% in 2Q24 to 55.8% in 2Q25. Selling and general expenses rose 7.8% YOY to AED 400 Mn in 2Q25. Operating profit surged by 41.8% YOY to AED 2,336 Mn in 2Q25. Operating margin also expanded from 43.0% in 2Q24 to 47.6% in 2Q25. Moreover, EBITDA rose sharply 45.6% YOY to AED 2,464

Mn in 2Q25. EBITDA margin improved from 44.2% in 2Q24 to 50.2% in 2Q25. Finance income increased 22.5% YOY to AED 331 Mn in 2Q25, while finance costs strongly declined from AED 150 Mn in 2Q24 to AED 46 Mn in 2Q25. Other income increased significantly from AED 26 Mn in 2Q24 to AED 47 Mn in 2Q25. The share of results from JVs jumped from AED 17 Mn in 2Q24 to AED 74 Mn in 2Q25. Meanwhile, the share of profit attributable to non-controlling interest holders rose 16.1% YOY to AED 511 Mn in 2Q25. Additionally, the Company recorded a tax charge of AED 393 Mn in 2Q25, compared to AED 162 Mn in 2Q24.

Target price and rating

We maintain our HOLD rating on Emaar Development with a target price of AED 16.00. EMAARDEV's stock price has declined 5.1% since our last rating (August 2025). The Company delivered a robust performance during 1H25, underpinned by solid sales momentum, strong project launches, and healthy profitability. Property sales surged 36.8% YOY to AED 40.6 Bn in 1H25, compared to AED 29.7 Bn during 1H24, driven by sustained demand across master communities and the successful launch of 25 new projects during YTD 2025. This translated into a 59% YOY increase in sales backlog to AED 117.7 Bn, as of June 2025, offering exceptional revenue visibility over the next four to five years. EMAARDEV sold 6,746 units during 1H25. In 1H25 alone, the Company delivered 3,382 units and has a delivery target of 1,017 units during 2H25. Emaar Development also plans to deliver a record 7,649 units during 2026. Long-term development prospects are supported by a substantial land bank of 316.3 Mn sqft across the UAE (as of 2Q25). Notably, in 1H25 EMAARDEV acquired a 2.4 Mn sqft plot in Ras Al Khor, strategically located near Dubai Creek Harbour and suited for residential developments. Demand dynamics remain healthy, with 65% of buyers in 1H25 being UAE residents, while 35% 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 32.4 Bn of cash and negligible debt, as of 2Q25, resulting in a net cash position that provides ample financial flexibility. Since its inception, EMAARDEV has delivered over 77,800 units, with over 45,600 units currently under construction, ensuring a steady delivery pipeline. Emaar Development operates a de-risked business model that supports long-term, self-sustaining growth. The Company minimizes cash requirements for land acquisition by utilizing its sizable land bank and forming joint ventures where partners provide land as their economic contribution. Project construction is primarily financed through pre-sales, with c. 60-70% of units sold in advance and 20-30% of cash collected before construction begins, reducing dependence on external funding. The model is further strengthened by a low default rate of about 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 distributed the annual cash dividend of AED 2.7 Bn for 2024, equating to AED 0.68 per share. Given these factors, we maintain our HOLD rating on the stock.

Emaar Development - Relative Valuation

	2020	2021	2022	2023	2024	2025F
PE (X)	33.91	17.32	14.76	8.48	7.36	6.57
PB (X)	4.99	3.88	3.24	2.46	1.98	1.64
EV / EBITDA	25.37	12.69	11.25	5.18	3.81	4.83
BVPS	2.813	3.623	4.332	5.710	7.097	8.554
EPS	0.414	0.811	0.952	1.657	1.908	2.137
DPS	NM	NM	0.520	0.521	0.680	0.730
Dividend Yield (%)	NM	NM	3.5%	3.5%	4.5%	4.9%

FABS estimate& Co Data

Emaar Development - P&L

AED Mm	3Q24	2Q25	3Q25F	YOY Ch	QOQ Ch	2024	2025F	Change
Revenue	5,140	4,905	6,002	16.8%	22.3%	19,147	22,848	19.3%
Cost of Revenue	-2,202	-2,169	-2,581	17.2%	19.0%	-8,490	-10,099	18.9%
Gross Profit	**2,938**	**2,737**	**3,421**	**16.4%**	**25.0%**	**10,657**	**12,749**	**19.6%**
S&G Expenses	-403	-400	-528	31.0%	31.9%	-1,609	-1,942	20.7%
Operating Profit	**2,535**	**2,336**	**2,893**	**14.1%**	**23.8%**	**9,047**	**10,807**	**19.4%**
EBITDA	**2,618**	**2,464**	**3,026**	**15.6%**	**22.8%**	**9,424**	**11,319**	**20.1%**
Finance Income	355	331	356	0.3%	7.8%	1,160	1,348	16.2%
Finance Cost	-86	-46	-43	-49.8%	-7.3%	-402	-177	-55.9%
Other Income	38	47	51	35.2%	8.6%	174	194	11.8%
Share of results of Joint Ventures	43	74	80	88.7%	8.0%	194	307	58.0%
Profit before tax	**2,885**	**2,742**	**3,338**	**15.7%**	**21.7%**	**10,173**	**12,479**	**22.7%**
Tax	-255	-393	-484	89.6%	23.1%	-486	-1,809	NM
NCI	561	511	542	-3.4%	6.1%	2,053	2,121	3.3%
Net profit to equity holders	**2,069**	**1,838**	**2,311**	**11.7%**	**25.8%**	**7,633**	**8,548**	**12.0%**

FABS estimate& Co Data

Emaar Development-Margins

	3Q24	2Q25	3Q25F	YOY Ch	QOQ Ch	2024	2025F	Change
Gross Profit	57.2%	55.8%	57.0%	-17	121	55.7%	55.8%	14
EBITDA	50.9%	50.2%	50.4%	-51	19	49.2%	49.5%	32
Operating Profit	49.3%	47.6%	48.2%	-113	57	47.3%	47.3%	5
Net Profit	40.3%	37.5%	38.5%	-174	105	39.9%	37.4%	-246

FABS estimate& Co Data

3Q25 preview: Aldar Properties

Solid Demand Coupled with Rising Project Backlog to Drive Net Profit Growth

Current Price	12-m Target Price	Upside/Downside (%)	Rating
AED 9.50	AED 11.00	+15.8%	BUY

3Q25 Estimate

Aldar Properties (Aldar/the Company) is estimated to grow 42.4% YOY in net profit to AED 1,549 Mn in 3Q25, owing to higher revenue, finance income, and lower impairment charges. However, it is partially offset by a rise in direct costs, general and administrative expenses, selling and marketing expenses, finance costs and a surge in income tax charges. Aldar's top line is forecasted to grow 38.5% YOY to AED 7,728 Mn in 3Q25, due to strong revenue projections in the Development segment and Investment segment. Aldar Development segment revenue is expected to rise 48.0% YOY to AED 5,701 Mn in 3Q25. During the same period, Aldar Investments' revenue is estimated to grow from AED 1,729 Mn in 3Q24 to AED 2,027 Mn in 3Q25. The Company's direct cost is anticipated to increase 36.5% YOY to AED 5,126 Mn in 3Q25. As a result, gross profit is expected to improve 42.6% YOY to AED 2,603 Mn in 3Q25 with an expansion in gross profit margin of 97 bps YOY to 33.7% in 3Q25. General expenses are estimated to rise 12.9% YOY to AED 487 Mn in 3Q25, while the selling and marketing expenses are projected to grow from AED 30 Mn in 3Q24 to AED 39 Mn in 3Q25. Aldar's EBITDA is anticipated to surge 50.1% YOY to AED 2,323 Mn in 3Q25, with an EBITDA margin estimated to expand 233 bps YOY to 30.1% in 3Q25. Furthermore, the Company's operating income is projected to surge 52.2% YOY to AED 2,077 Mn in 3Q25. Additionally, the operating profit margin is anticipated to rise from 24.5% in 3Q24 to 26.9% in 3Q25. Aldar's provisions are expected to fall from AED 10 Mn in 3Q24 to AED 8 Mn in 3Q25. Whereas, Aldar's finance income is foreseen to rise 22.8% YOY to AED 215 Mn in 3Q25. Conversely, finance cost is projected to rise 40.7% YOY to AED 356 Mn in 3Q25. Additionally, total other income is anticipated to nearly double, increasing from AED 41 Mn in 3Q24 to AED 77 Mn in 3Q25. The Company's tax expense is expected to increase significantly from AED 64 Mn in 3Q24 to AED 246 Mn in 3Q25. Furthermore, the Company's non-controlling interest is projected to grow 27.6% YOY to AED 211 Mn in 3Q25.

2025 Forecast

Aldar's net profit is expected to surge 26.5% YoY to AED 7,077 Mn in 2025, attributed to an anticipated surge in revenue coupled with higher finance income and other income, partially offset by expected growth in direct costs, General & S&M expenses, and higher taxes and NCI share. Aldar's revenue is expected to boost 37.4% YOY to AED 31,597 Mn in 2025, primarily due to the estimated rise in demand expected across its revenue segments. Aldar Development's revenue is projected to grow 45.6% YOY to AED 22,876 Mn, and Aldar Investment is anticipated to rise 19.7% YOY to AED 8,721 Mn in 2025. The Company's direct cost is expected to increase 38.9% YOY to AED 20,775 Mn in 2025. Thus, gross profit is estimated to reach AED 10,822 Mn in 2025 from AED 8,045 Mn in 2024. The Company's general expenses are estimated to rise 10.7% YOY to AED 1,991 Mn in 2025. On the other hand, the selling & marketing expenses are anticipated to grow 22.1% YOY to AED 158 Mn in 2025. As a result, EBITDA is projected to boost 35.1% YOY to AED 10,441 Mn in 2025, whereas the EBITDA margin is estimated to shrink 56 bps YOY to 33.0% in 2025. Furthermore, operating profit is expected to increase 41.8% YOY to AED 8,673 Mn, with an operating profit margin anticipated to expand 85 bps YOY to 27.4% in 2025. The Company's impairment losses are expected to rise from AED 199 Mn in 2024 to AED 221 Mn in 2025. Aldar's finance income is projected to grow 14.3% YOY to AED 817 Mn, while finance cost is predicted to increase 47.4% YOY to AED 1,391 Mn in 2025. Moreover, the Company's other income is expected to grow 9.2% YOY to AED 1,280 Mn in 2025. Aldar's tax expenses are anticipated to surge from AED 355 Mn in 2024 to AED 1,117 Mn in 2025, and NCI is estimated to increase 6.3% YOY to AED 965 Mn in 2025.

2Q25 Outturn

Aldar's revenue saw a significant increase of 45.9% YOY in 2Q25, reaching AED 7,736 Mn. This growth was driven by strong double-digit performance in both the Development and Investment segments, supported by cross-platform growth driven by inventory sales, successful new launches, ongoing recognition of development revenue backlog, contributions from recurring income portfolio from both organic and acquisitions. Additionally, the Company's revenue backlog stood at AED 62.3 Bn as of 2Q25 compared to AED 54.6 Bn in 4Q24, providing strong revenue visibility across the UAE and International Business. Aldar's development revenue grew 54.2% YOY to AED 5.6 Bn, and Investment revenue increased 18.0% YOY to AED 1,895 Mn in 2Q25. The Company's direct costs grew almost in line with revenue from AED 3,478 Mn in 2Q24 to AED 5,175 Mn in 2Q25. Hence, gross profit increased significantly 40.3% YOY to AED 2,561 Mn in 2Q25, however gross margins fell 131 bps YOY to 33.1% in 2Q25. General expenses of Aldar rose 19.1% YOY to AED 461 Mn in 2Q25. Selling and marketing expenses surged 21.1% YOY to AED 38 Mn in 2Q25. Company's EBITDA rose 38.9% YOY to AED 2,829 Mn in 2Q25, due to strong growth in EBITDA across the Development and Investments segment. Development EBITDA rose by 44.2% YOY to AED 1,546 Mn, whereas Investment adjusted EBITDA grew by 26.0% YOY to AED 789 Mn in 2Q25. However, EBITDA margin fell from 38.4% in 2Q24 to 36.6% in 2Q25. Strategic acquisitions, increasing rental rates and near-full occupancy levels, alongside strong growth from Aldar Estates and Aldar Education, are driving income stability and revenue growth. Operating profit expanded 46.6% YOY to AED 2,061 Mn in 2Q25, with a marginal expansion in margin of 13 bps YOY to 26.6% in 2Q25. The Company's finance income grew 18.5% YOY to AED 202 Mn in 2Q25, and finance cost surged from AED 236 Mn in 2Q24 to AED 364 Mn in 2Q25. Other Income also increased from AED 491 Mn in 2Q24 to AED 589 Mn in 2Q25. Aldar's income tax surged significantly from AED 75 Mn in 2Q24 to AED 296 Mn in 2Q25 due to the introduction of a 15% statutory rate. Furthermore, profit attributable to non-controlling interest increased 12.8% YOY to AED 224 Mn in 2Q25.

Target price and rating

We maintain a BUY rating on Aldar stock with a target price of AED 11.00. The Company reported robust revenue growth supported by high demand for new launches and strong sales from existing inventory. During 2Q25, Aldar Development launched three notable projects: Waldorf Astoria Residences on Yas Island, Fahid Beach Residences and The Beach House Fahid on Fahid Island, each of which caters to the high-end and waterfront residential market, aligning with the rising demand from both expatriate and international buyers. Expatriates and overseas investors accounted for a substantial 84% of total sales in the UAE during 1H25, with residential expats representing 56%, international buyers 28%, and UAE nationals 16%. This growing demand from global investors reaffirms Aldar's strategic positioning in premium real estate, especially in Abu Dhabi's high-growth zones like Saadiyat and Yas Islands. In July, Aldar completed a landmark AED 400 Mn sale of a luxury mansion on Saadiyat Island, the highest-value residential transaction ever recorded in Abu Dhabi, demonstrating surging demand for ultra-luxury homes among global HNIs. Aldar's operational execution has been backed by solid cash flow performance. Cash collections reached AED 7.9 Bn in 1H25, driven by the Company's disciplined approach to project delivery and strong buyer payment behaviour. This healthy inflow supports Aldar's funding capacity for its sizeable pipeline while reinforcing its balance sheet flexibility. In line with this, the Company issued AED 5.5 Bn in subordinated hybrid notes during 2025, optimizing its capital structure to support capex for D-Hold projects, ongoing developments, and future M&A opportunities. Aldar continues to advance its diversification strategy through international operations and sector expansion. In Egypt, its subsidiary SODIC generated AED 291 Mn in revenues during 1H25 and secured a major land parcel in New Sphinx City. This land bank is expected to deliver over EGP 353 Bn in future sales, offering growth potential in a key regional market. Meanwhile, in the UK, Aldar's acquisition of London Square contributed AED 710 Mn in revenue during 1H25, driven by three new project launches and two land acquisitions. The Company is also making significant strides in recurring income streams through its D-Hold portfolio and logistics expansion. The acquisition of a fully-leased 180K sqm industrial asset in ALMARKAZ during 2Q25 further deepens Aldar's footprint in Abu Dhabi's logistics sector, providing stable cash flow and aligning with the strategic goal of diversifying revenue sources. This is complemented by strong institutional demand for Aldar's premium assets, evidenced by the AED 586 Mn off-plan sale of Mamsha Gardens to Gaw Capital. Aldar's project management arm also delivered notable growth, with the total backlog reaching AED 86.0 Bn as of June 2025, of which AED 56.9 Bn is under active construction. This is primarily driven by continued progress on government-led infrastructure and housing developments, where Aldar serves as a key delivery partner. Additionally, the D-Hold pipeline remains solid at AED 14.3 Bn, reinforcing the company's commitment to developing and operating high-quality assets across commercial, retail, education, and logistics sectors. Furthermore, Aldar plans to acquire Modon Holding's 17.45% stake in Aldar Estates, thereby increasing its ownership to 82.55%. This move is driven by rising demand in facilities management, property management, and community services, which also supports its own development projects. Aldar's 2Q25 performance highlights its ability to execute across multiple verticals, maintain a healthy balance sheet, and deliver value through both development-led growth and income-generating assets. The combination of strong cash collections increased institutional and international demand, geographic diversification, and a robust development backlog provides strong visibility into future earnings. With improved capital efficiency following the hybrid issuance and a well-structured pipeline across the UAE, UK, and Egypt, Aldar is well-positioned to sustain its growth trajectory. Thus, based on the above-mentioned factors, we assign a BUY rating on the stock.

Aldar- Relative Valuation

(At CMP)	2020	2021	2022	2023	2024	2025F
PE	38.90	32.46	25.98	19.68	13.68	10.78
PB	2.93	2.79	2.65	2.42	2.15	1.86
EV/EBITDA	31.56	26.92	21.47	16.16	10.93	7.83
BVPS	3.260	3.424	3.606	3.951	4.438	5.153
EPS	0.246	0.295	0.368	0.486	0.699	0.887
DPS	0.145	0.150	0.160	0.170	0.185	0.224
Dividend Yield	1.5%	1.6%	1.7%	1.8%	1.9%	2.3%

FABS estimate & Co Data

Aldar - P&L

AED (Mn)	3Q24	2Q25	3Q25F	YOY Ch	QOQ Ch	2024	2025F	Change
Revenue	5,582	7,736	7,728	38.5%	-0.1%	22,998	31,597	37.4%
Direct costs	-3,756	-5,175	-5,126	36.5%	-1.0%	-14,953	-20,775	38.9%
Gross profit	**1,826**	**2,561**	**2,603**	**42.6%**	**1.6%**	**8,045**	**10,822**	**34.5%**
General expenses	-431	-461	-487	12.9%	5.6%	-1,799	-1,991	10.7%
Sell & Mktg Exp	-30	-38	-39	31.0%	0.9%	-129	-158	22.1%
EBITDA	**1,547**	**2,829**	**2,323**	**50.1%**	**-17.9%**	**7,708**	**10,411**	**35.1%**
EBIT	**1,365**	**2,061**	**2,077**	**52.2%**	**0.8%**	**6,117**	**8,673**	**41.8%**
Share of assoc.	-2	0	0	NM	NM	-2	1	NM
Provision/(reversal)	-10	3	-8	-22.1%	-335.1%	-199	-221	11.0%
Finance income	175	202	215	22.8%	6.4%	715	817	14.3%
Finance cost	-253	-364	-356	40.7%	-2.1%	-943	-1,391	47.4%
Total other income	41	589	77	86.4%	-86.9%	1,171	1,280	9.2%
Profit before tax	**1,317**	**2,491**	**2,006**	**52.3%**	**-19.5%**	**6,859**	**9,159**	**33.5%**
Income tax	-64	-296	-246	NM	-16.9%	-355	-1,117	NM
Profit after tax	**1,253**	**2,196**	**1,760**	**40.4%**	**-19.8%**	**6,504**	**8,042**	**23.6%**
Non-controlling interest	166	224	211	27.6%	-5.9%	908	965	6.3%
Net profit	**1,088**	**1,971**	**1,549**	**42.4%**	**-21.4%**	**5,596**	**7,077**	**26.5%**

FABS estimate & Co Data

Aldar - Margins

	3Q24	2Q25	3Q25F	YOY Ch	QOQ Ch	2024	2025F	Change
Gross Profit	32.7%	33.1%	33.7%	97	58	35.0%	34.2%	-73
EBITDA	27.7%	36.6%	30.1%	233	-651	33.5%	33.0%	-56
Operating Profit	24.5%	26.6%	26.9%	243	23	26.6%	27.4%	85
Net Profit	19.5%	25.5%	20.0%	55	-544	24.3%	22.4%	-194

FABS estimate & Co Data

3Q25 preview: Tecom Group

Strategic expansion plans and strong demand to support top-line

Current Price	12-m Target Price	Upside/Downside (%)	Rating
AED 3.31	AED 3.90	+17.8%	BUY

3Q25 estimate

Tecom Group's (TECOM/the Company) net profit is anticipated to grow 13.2% YOY to AED 385 Mn in 3Q25, mainly due to an estimated growth in sales, lower direct costs and G&A expenses, partially offset by a forecasted increase in marketing & selling expenses, and finance cost, along with lower other income. TECOM's sales are estimated to rise 15.1% YOY to AED 703 Mn in 3Q25 due to solid double-digit estimated growth across all the revenue segments. The direct cost is projected to fall 7.7% YOY to AED 214 Mn in 3Q25. As a result, gross profit is estimated to boost 29.1% YOY to AED 489 Mn in 3Q25 with an expected expansion in gross profit margin of 753 bps YOY to 69.5% in 3Q25. G&A expenses are anticipated to fall 16.7% YOY to AED 46 Mn in 3Q25. In contrast, Marketing and selling expenses are foreseen to increase from AED 9 Mn in 3Q24 to AED 13 Mn in 3Q25. Moreover, other income is predicted to decline from AED 76 Mn in 3Q24 to AED 21 Mn in 3Q25. Thus, TECOM's operating profit is estimated to rise 15.2% YOY to AED 450 Mn in 3Q25. Depreciation & amortisation is anticipated to shrink 46.0% YOY to AED 112 Mn in 3Q25. Hence, EBITDA is projected to decline 6.0% YOY to AED 562 Mn in 3Q25 with an expected contraction in EBITDA margin from 97.9% in 3Q24 to 80.0% in 3Q25. The Company's finance income is anticipated to decline 22.1% YOY to AED 13 Mn in 3Q25, whereas the Finance cost is expected to increase 16.9% YOY to AED 63 Mn in 3Q25. TECOM's tax expense is anticipated to rise from AED 13 Mn in 3Q24 to AED 15 Mn in 3Q25.

2025 forecast

TECOM's net profit is projected to rise 21.6% YOY to AED 1,494 Mn in 2025, owing to an estimated increase in sales, lower G&A expenses, and Marketing & selling expense, partially offset by rise in direct costs, total operating expenses, D&A expenses, finance cost and tax expenses, and lower finance income. The Company's sales are anticipated to rise 16.6% YOY to AED 2,801 Mn in 2025 due to the solid performance expected across all its revenue segments. Revenue from Commercial Leasing is forecasted to rise 17.7% YOY to AED 1,426 Mn, and revenue from Industrial Leasing is estimated to grow 18.8% YOY to AED 424 Mn in 2025. On the other hand, Revenue from Land Leasing is projected to grow 12.9% YOY to AED 601 Mn, and Services Revenue is estimated to increase 18.6% YOY to AED 350 Mn in 2025. Direct cost is anticipated to increase 3.8% YOY to AED 881 Mn in 2025. Thus, gross profit is estimated to rise 23.7% YOY to AED 1,920 Mn in 2025 with an expected expansion of 390 bps YOY to 68.5% in 2025. G&A expenses are expected to shrink 12.2% YOY to AED 180 Mn in 2025, while the marketing and selling expenses are predicted to fall 5.7% YOY to AED 51 Mn in 2025. Other income is expected to significantly decline 40.4% YOY to AED 82 Mn in 2025. During the same period, other expenses are estimated to increase 13.1% YOY to AED 7 Mn in 2025. Thus, operating profit is expected to grow 23.8% YOY to AED 1,764 Mn in 2025. D&A expenses are anticipated to rise 5.6% YOY to AED 453 Mn in 2025. Tecom's EBITDA is predicted to increase 19.6% YOY to AED 2,217 Mn in 2025. The Company's finance income is projected to fall 31.8% YOY to AED 45 Mn in 2025, and finance cost is expected to rise 14.2% YOY to AED 255 Mn in 2025. The Company is estimated to incur income tax expenses of AED 59 Mn in 2025 compared to AED 38 Mn in 2024.

2Q25 outturn

TECOM's revenue soared 21.5% YOY to AED 709 Mn in 2Q25, attributed to strong growth across all business segments, supported by high occupancy and retention rates in its Commercial, Industrial, and Land Lease portfolio. Commercial Leasing segment revenue rose 18.8% YOY to AED 355 Mn in 2Q25, with an occupancy level of 95%. On the other hand, the Industrial Leasing segment revenue surged 24.2% YOY to AED 106 Mn in 2Q25, with an occupancy level of 95%. TECOM's revenue from land leasing grew 13.5% YOY to AED 156 Mn in 2Q25, with a healthy occupancy level of 99%. The services revenue rose sharply from AED 62 Mn in 2Q24 to AED 93 Mn in 2Q25. The Company's direct costs increased 23.2% YOY to AED 235 Mn in 2Q25. Thus, the gross profit grew 20.7% YOY to AED 474 Mn in 2Q25, while the gross profit margin shrank 46 bps YOY to 66.8% in 2Q25. The Company's

G&A expenses significantly declined 22.2% YOY to AED 40 Mn in 2Q25, whereas the selling and marketing expenses grew 9.0% YOY to AED 12 Mn in 2Q25. Moreover, the other income increased 2.7% YOY to AED 24 Mn in 2Q25. Thus, TECOM's total operating expenditure declined by 28.2% YOY to AED 28 Mn in 2Q25, reflecting the impact of its effective cost management strategy. As a result, the operating profit rose 26.1% YOY to AED 446 Mn in 2Q25, while the operating margin expanded 229 bps YOY to 62.9% in 2Q25. The Commercial leasing segment EBITDA improved 22.5% YOY to AED 258 Mn in 2Q25, while the Industrial leasing segment EBITDA grew 30.4% YOY to AED 77 Mn in 2Q25. Furthermore, TECOM's Land leasing EBITDA rose 16.6% YOY to AED 164 Mn in 2Q25, while the Service segment EBITDA grew in line with revenue by 48.4% YOY to AED 69 Mn in 2Q25. The Company's EBITDA surged 24.3% YOY to AED 568 Mn in 2Q25, with an EBITDA margin which expanded 181 bps YOY to 80.0% in 2Q25. TECOM's finance income fell from AED 19 Mn in 2Q24 to AED 9 Mn in 2Q25, whereas the finance cost grew 18.3% YOY to AED 66 Mn in 2Q25. The Company recorded an income tax charge of AED 12 Mn in 2Q25.

Target price and recommendation

We maintain our rating to BUY on TECOM with a target price of AED 3.90. TECOM Group reported strong operational and financial performance in 2Q25, supported by healthy demand across its commercial and industrial real estate segments. Portfolio-wide occupancy rose to 95% (excluding land leasing), representing YOY growth of 3%, driven by limited new supply and a stable tenant base. The commercial segment reached 95% occupancy, while the industrial portfolio also achieved 97% occupancy in warehouses and 99% in labour accommodations. Tecom has 11.9 Mn square feet of GLA within the industrial leasing segment and 177 Mn square feet of GLA within the land lease segment, alongside a range of support services. Revenue gains were further supported by ongoing economic momentum in Dubai and the UAE, alongside rising foreign direct investment. TECOM continued to attract prominent tenants, with PayPal inaugurating its first regional hub in Dubai Internet City, Pure Ice Cream launching an AED 80 Mn facility in Dubai Industrial City, and IMCD establishing new offices and labs in Dubai Science Park. Furthermore, in August, the board approved an AED 1.6 Bn investment to acquire 138 land plots, increasing its land portfolio to over 209 Mn square feet. These developments highlight the strategic value of TECOM's sector-focused business districts and their contribution to Dubai's broader economic goals. Land lease occupancy rose to 99% in 1H25, up 3% YOY, driven by sustained industrial demand and key government initiatives such as Operation 300 Bn, Make it in the Emirates, and the Dubai Economic Agenda D33. Funds from operations (FFO) increased 17% YOY to USD 984 Mn in 1H25, supported by a 99% collection rate and disciplined cost controls, including centralised procurement and energy-saving initiatives, which helped preserve margins. TECOM also demonstrated strong financial flexibility, with access to USD 3.2 Bn in liquidity, comprising USD 2.3 Bn in undrawn credit facilities and c. USD 0.8 Bn in unrestricted cash. Operating in free zones, the Company maintained a low tax rate of c. 3%. Management reaffirmed its 2025 guidance of 15-17% YOY revenue growth and 18-20% YOY EBITDA growth. The Group's retention rate improved to 95%, and it declared an interim dividend of AED 400 Mn for 1H25, with a planned 10% increase for 2H25. A potential dividend policy revision in 2026, supported by strong cash flows and a large land bank. Thus, considering the abovementioned factors, we maintain our BUY rating on the stock.

Tecom Group – Relative Valuation

(at CMP)	2020	2021	2022	2023	2024	2025E
PE (X)	28.41	21.87	17.14	15.26	13.39	11.01
PB (X)	1.13	0.84	0.76	0.96	1.08	1.06
EV / EBITDA	17.55	14.17	12.88	12.75	12.11	9.85
BVPS (AED)	2.911	3.918	4.309	3.427	3.053	3.102
EPS (AED)	0.116	0.150	0.192	0.216	0.246	0.299
DPS (AED)	0.130	0.370	0.345	0.160	0.160	0.168
Dividend yield (%)	4.0%	11.3%	10.6%	4.9%	4.9%	5.2%

FABS estimate & Co Data

Tecom Group - P&L

AED Mn	3Q24	2Q25	3Q25F	YOY Ch	QOQ Ch	2024	2025F	Change
Sales	611	709	703	15.1%	-0.9%	2,402	2,801	16.6%
Direct cost	-232	-235	-214	-7.7%	-9.0%	-850	-881	3.8%
Gross profit	**379**	**474**	**489**	**29.1%**	**3.1%**	**1,552**	**1,920**	**23.7%**
G&A expenses	-56	-40	-46	-16.7%	16.2%	-205	-180	-12.2%
Marketing & Selling exp.	-9	-12	-13	45.5%	6.1%	-54	-51	-5.7%
Other income	76	24	21	-73.1%	-13.6%	138	82	-40.4%
Other expenses	0	0	0	NM	NM	-6	-7	13.1%
Total OPEX	12	-28	-39	NM	37.1%	-128	-156	22.0%
Operating profit	**391**	**446**	**450**	**15.2%**	**1.0%**	**1,424**	**1,764**	**23.8%**
Depreciation & Amortization	208	122	112	-46.0%	-7.9%	429	453	5.6%
EBITDA	**598**	**568**	**562**	**-6.0%**	**-1.0%**	**1,854**	**2,217**	**19.6%**
Finance income	16	9	13	-22.1%	40.3%	66	45	-31.8%
Finance cost	-54	-66	-63	16.9%	-4.9%	-224	-255	14.2%
Profit before zakat	**353**	**389**	**400**	**13.3%**	**2.9%**	**1,267**	**1,553**	**22.6%**
Income tax	-13	-12	-15	14.5%	26.5%	-38	-59	54.4%
Profit to shareholders	**340**	**377**	**385**	**13.2%**	**2.1%**	**1,228**	**1,494**	**21.6%**

FABS estimate & Co Data

Tecom group - Margins

	3Q24	2Q25	3Q25F	YOY Ch	QOQ Ch	2024	2025F	Change
Gross Profit	62.0%	66.8%	69.5%	753	270	64.6%	68.5%	390
EBITDA	97.9%	80.0%	80.0%	-1,792	-4	77.2%	79.1%	196
Operating Profit	63.9%	62.9%	64.0%	9	118	59.3%	63.0%	366
Net Profit	55.6%	53.1%	54.7%	-90	162	51.1%	53.3%	219

FABS estimate & Co Data

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