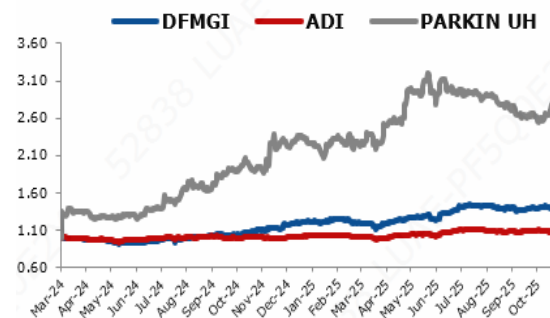


Parkin Company PJSC

Broad-Based Revenue Growth Drives Strong Profit Expansion

Current Price	Target Price	Upside/Downside (%)	Rating
AED 5.85	AED 6.20	+6.0%	HOLD

- Revenue guidance from Public Parking remains unchanged, while Enforcement revenue guidance has been revised upward to AED 360-390 Mn in FY2025.
- Public Parking space grew 7.0% YOY to 192.1k, but Developer parking declined 5% YOY to 23.2k in 3Q25.
- Total Parking transactions rose marginally by 0.4% YOY to 34.1 Mn in 3Q25, while the weighted average public parking tariff rose 51% YOY to AED 3.03 per hour in 3Q25 after the introduction of a variable tariff.
- Sales of Public Parking Seasonal cards surged 126% YOY to 81.0k in 3Q25, supported by strong growth across all durations.
- Total number of enforcement notices issued rose 63% YOY to 682k in 3Q25.



Stock Information

Market Cap (AED, mm)	17,550.00
Paid Up Capital (mm)	60.00
52 Week High	6.79
52 Week Low	3.93
3M Avg. daily value (AED)	12,495,510

3Q25 Result Review (AED, Mn)

Total Assets	2,529
Total Liabilities	1,892
Total Equity	638
EBITDA	200
Net Profit	157

Financial Ratios

Dividend Yield (12m)	3.31
Dividend Pay-out (%)	113.27
Price-Earnings Ratio(x)	31.42
Price-to-Book Ratio (x)	28.07
Book Value (AED)	0.21
Return-on Equity (%)	93.18

Stock Performance

5 Days	7.37%
1 Months	8.55%
3 Months	-1.97%
6 Months	9.54%
1 Year	50.38%
Month to Date (MTD%)	7.76%
Quarter to Date (QTD%)	8.55%
Year to Date (YTD%)	22.59%

3Q25 Net Profit in line with our estimate

Parkin Company PJSC (PARKIN/the Company) net profit grew 49.9% YOY to AED 157 Mn in 3Q25, in line with our estimate of AED 160 Mn. The growth in net profit was primarily driven by strong revenue growth supported by the implementation of the variable parking tariff in April 2025, expansion of parking space, record seasonal card sales and enforcement revenue. This growth is further supported by a decline in D&A expenses and finance costs, partially offset by higher concession fees, commissions, and employee benefits expenses, coupled with an increase in tax expenses.

P&L Highlights

PARKIN's revenue grew 43.4% YOY to AED 337 Mn in 3Q25, driven by robust double-digit growth across all segments. Revenue from Public parking grew 30.1% YOY to AED 135 Mn in 3Q25, mainly driven by higher weighted average tariff rates and expansion of the parking portfolio, partially offset by a lower utilization rate as customers traded off between seasonal cards compared to daily passes. Public parking spaces grew 7% YOY to 192.1K spaces in 3Q25. Moreover, a total of 12.5k public parking spaces were added, including 7.8k in zone C and 4.6k spaces in zone D in 3Q25. Revenue from MSCPs increased 30.3% YOY to AED 4 Mn in 3Q25, supported by a rise in MSCP spaces due to the reopening of the refurbished Al Rigga facility, which restored 440 spaces and boosted transaction volumes. MSCP parking spaces increased from 3.2k in 3Q24 to 3.7k in 3Q25. Furthermore, MSCP transactions jumped 26% YOY to 0.3 Mn in 3Q25. Revenue from Developer Parking rose 28.3% YOY to AED 23 Mn in 3Q25, attributed to higher transaction volumes, enhanced utilization, and the implementation of a variable tariff across c.6k developer parking spaces. However, Developer Parking spaces declined from 24.5k in 3Q24 to 23.2k in 3Q25, due to

planned phase-out of certain spaces at Al Sufouh, were part of the Company's portfolio in 3Q24 but removed by year-end. Nonetheless, Developer parking spaces increased 3.6k QOQ in 3Q25. In addition, average revenue per developer parking space rose from AED 758 in 3Q24 to AED 1,062 in 3Q25. Revenue from Seasonal cards and permits including the parking reservations grew from AED 43 Mn in 3Q24 to AED 69 Mn in 3Q25, mainly due to a significant growth in seasonal cards sold. The total number of seasonal cards grew significantly, 126% YOY to 81.0k in 3Q25, primarily driven by robust growth across all durations, with one-month seasonal cards showing the highest year-on-year increase. The growth in seasonal card sales was due to customers leveraging the temporary price gap between the newly implemented variable daily tariffs in April 2025 and the unchanged seasonal card rates. Revenue from fines grew by a strong 58.6% YOY to AED 103 Mn in 3Q25, mainly driven by a substantial increase in the volume of enforcement fines issued. The total number of enforcement notices rose from 418k in 3Q24 to 682k in 3Q25, driven by higher customer activity, an expanded parking portfolio, and ongoing benefits from technology-based enhancements to the enforcement system, along with the expansion of the smart scan inspection fleet. Revenue generated from other services increased 15.4% YOY to AED 2 Mn in 3Q25. The Company's other income rose from AED 0.3 Mn in 3Q24 to AED 1 Mn in 3Q25. Concession fee expense rose from AED 30 Mn in 3Q24 to AED 61 Mn in 3Q25, driven by higher revenues from Public Parking, MSCPs, and Seasonal Cards, following the implementation of the variable parking tariff. It had been provisioned at a concession rate of 27.1% to the relevant concession revenue stream in 2Q25 and 3Q25. Furthermore, revenues from developer parking and enforcement are exempt from concession fees. Commission expense increased 46.2% YOY to AED 11 Mn in 3Q25. PARKIN's employee benefit expenses expanded 10.3% YOY to AED 34 Mn in 3Q25, supported by an increase in headcount from 326 employees in 3Q24 to 354 employees in 3Q25, as the company continued strengthening its internal capabilities. Other expenses increased substantially from AED 10 Mn in 3Q24 to AED 19 Mn in 3Q25 due to an increase in professional fees, advertising & marketing and IT expenses. As a result, PARKIN's EBITDA grew 36.1% YOY to AED 200 Mn in 3Q25. However, EBITDA margin declined from 61.4% in 3Q24 to 58.2% in 3Q25, primarily due to a rise in concession fees, staff costs, and additional expenses such as professional fees, advertising/marketing, and IT. D&A expenses declined 3.3% YOY to AED 13 Mn in 3Q25. The Company's finance cost fell 21.9% YOY to AED 14 Mn in 3Q25. In addition, the Company incurred an income tax charge of AED 16 Mn in 3Q25 compared to AED 10 Mn in 3Q24 in line with growth in profit before tax.

Balance sheet highlights

PARKIN's cash and cash equivalents stood at AED 132 Mn in 3Q25, compared to AED 92 Mn in 2Q25. In addition, it also held AED 423 Mn as short-term deposits in 3Q25. PARKIN generated a free cash flow to equity of AED 433 Mn in 3Q25, compared to AED 212 Mn in 3Q24. Free cash flow conversion ratio stood at 99% in 3Q25, supported by robust revenue growth and the implementation of a CAPEX-light business model. The Company's net debt stood at AED 577 Mn in 3Q25. Parkin total available liquidity stood at AED 655 Mn, including the Murabaha revolving credit facility in 3Q25.

Target Price and Rating

We maintain our HOLD rating on PARKIN with a revised target price of AED 6.20. Parkin reported strong profitability growth attributed to a healthy growth in topline, due to the successful rollout of the variable parking tariff, expansion of the operational network, steady transaction volumes, record seasonal card sales, and robust enforcement income. The Company added 12.5k spaces across the public parking portfolio in 3Q25, driving a 30.1% YOY growth in Public Parking revenue in 3Q25. This reinforces the Company's strong ability to capture the growing demand for public parking spaces. However, Parkin recorded flat growth in parking transactions in 3Q25, with total parking volumes of 34.1 Mn in 3Q25 compared to 34.0 Mn in 3Q24. The stable performance in transaction volume is attributed to a marginal decline in Public Parking transactions, as many customers shifted from hourly or short-term usage to seasonal cards, which provide greater value and convenience for frequent users. Whereas, Developer parking transaction volume grew 10% YOY to 3.9 Mn in 3Q25, supported by a higher utilization rate. Additionally, the management expects the revenue guidance of the Public Parking Segment to remain unchanged at AED 520-550 Mn in FY2025. Moreover, the weighted average hourly tariff in Public Parking rose 51% to AED 3.03 after the introduction of the variable parking tariff. This demonstrates the Company's ability to capture opportunities through differentiated pricing

across zones based on demand and location dynamics. Furthermore, following the introduction of the variable parking tariff in April 2025, customers took advantage of the value-for-money offered by unchanged seasonal card prices, leading to a significant rise in public parking seasonal card purchases during 3Q25. As a result, seasonal card sales surged 126% YOY to 81.0k in 3Q25, driven by strong growth across all zones and durations, with 1-month seasonal card sales experiencing the highest growth. Thus, further boosting the company's revenue and improving cash flow by encouraging more customers to commit to longer-term parking solutions at stable rates amid rising hourly tariffs. However, the Roads & Transport Authority appointed a third party to review the current seasonal card pricing framework, which could result in revisions to better align with the new variable tariff system. Similarly, enforcement notices surged 63% YOY to 682k in 3Q25, driven by higher customer activity, expansion of the parking portfolio, and ongoing benefits from technology enhancements introduced in 2H24. Furthermore, the Company increased its smart scan inspection fleet to 27 units and onboarded trained drivers in early 2025, enabling inspectors to be redeployed to field and supervisory roles to enhance operational efficiency. The Company's field enforcement team scanned 9.8 Mn vehicle registration plates in 3Q25, representing a 107% growth compared to 3Q24. Thereby reducing the manual inspections efforts, accelerating inspection times, and enhancing overall enforcement efficiency. Additionally, the Company expected to generate annual fine revenues between AED 360 – AED 390 Mn in 2025. This reflects the Company's improved enforcement efficiency and use of technology to enhance compliance and support consistent fine revenue growth. The company's MSCP spaces also showed healthy performance, with spaces expanded 14% YOY to 3.7k and transactions rose 26% YOY to 0.3 Mn in 3Q25, driven by the reopening of Al Rigga MSCP, restoring 440 spaces with advanced barrierless, ticketless access technology. This reflects the Company's focus on enhancing parking accessibility and user convenience. The current valuation captures most of the above positives leading us to assign a HOLD rating.

PARKIN- Relative valuation¹

(at CMP)	2024	2025F
PE (x)	41.4	28.6
PB (x)	36.6	33.0
EV/EBITDA	32.2	23.7
BVPS	0.160	0.177
EPS	0.141	0.204
DPS	0.160	0.210
Dividend yield (%)	2.7%	3.6%

FABS Estimates & Co Data

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

PARKIN – P&L

AED Mn	3Q24	2Q25	3Q25	3Q25F	Var.	YOY Ch	QOQ Ch	2024	2025F	YOY Ch
Revenues	235	317	337	330	2.0%	43.4%	6.4%	916	1,284	40.2%
Other Income	0	0	1	0	NA	NA	NA	1	3	137.1%
Finance Income	4	3	5	4	23.1%	26.5%	58.4%	8	18	NM
Concession fee expense	30	49	61	51	18.9%	101.7%	24.0%	118	204	72.3%
Commission expense	8	11	11	12	-4.8%	46.2%	0.6%	33	45	37.9%
Maintenance expense	8	6	5	7	-32.0%	-36.1%	-14.5%	19	21	5.6%
Corporate allocation expenses	0	0	0	0	NA	NA	NA	0	0	NA
Employee benefits exp	31	35	34	35	-2.1%	10.3%	-2.2%	104	140	35.0%
Variable Lease Payments	4	5	10	5	NM	NM	97.4%	14	26	87.5%
TSA Expenses	0	0	0	0	NA	NA	NA	0	0	NA
Rev of imp loss/ (imp loss) on trade rec	2	6	3	1	NM	67.3%	-41.8%	12	13	4.3%
Other Expenses	10	19	19	22	-11.5%	82.9%	0.5%	48	76	59.2%
Rent expense	0	0	0	0	NA	NA	NA	0	0	NA
EBITDA	147	189	200	202	-1.3%	36.1%	5.5%	577	781	35.2%
D&A exp	13	12	13	12	7.1%	-3.3%	10.1%	48	48	-0.1%
EBIT	134	178	187	190	-1.8%	40.0%	5.2%	529	733	38.4%
Finance Cost	-18	-15	-14	-15	-2.4%	-21.9%	-0.6%	-64	-59	-7.6%
Earning Before Tax	115	163	173	176	-1.8%	49.9%	5.7%	465	674	44.8%
Income Tax Expense	10	15	16	16	-1.8%	50.0%	5.1%	42	61	44.8%
Net Profit	105	148	157	160	-1.8%	49.9%	5.8%	423	613	44.8%

FABS estimate & Co Data

PARKIN - Margins

	3Q24	2Q25	3Q25	YOY Ch	QOQ Ch	2024	2025F	YOY Ch
EBITDA	61.4%	59.2%	58.2%	-318	-98	62.4%	59.8%	-256
Operating profit	55.8%	55.5%	54.5%	-137	-107	57.2%	56.2%	-105
Net profit	43.8%	46.4%	45.7%	195	-65	45.8%	47.0%	122

FABS estimate & Co Data

Key Developments

- **03 November 2025:** Parkin partnered with DP World to introduce smart, barrierless parking at Dubai's Al Aweer Fruit and Vegetable Market, managing around 2.5k spaces for light vehicles and trucks. The initiative, part of Dubai's Smart City agenda, is expected to generate AED 3.5 Mn annually and enhance traffic flow, safety, and logistics efficiency.
- **30 September 2025:** Parkin will manage around 3.1k new parking spaces in Dubai Sports City under a 10-year contract valued at AED 40–50 Mn. Construction begins in 4Q25 with AED 18–20 Mn capex, adding a cash flow-positive, accretive project to Parkin's developer portfolio.
- **19 August 2025:** Parkin partnered with charge&go, a subsidiary of Etisalat Services Holding (ESH), in a 10-year deal to install 200 ultra-fast EV chargers across Dubai, cutting charging time to under 30 minutes. Launching in October 2025, the project supports Dubai's green mobility goals and enhances Parkin's tech-driven, sustainable parking network.
- **5 August 2025:** Parkin partnered with Dubai Holding to manage around 29.6k paid parking spaces across key communities, expanding its developer-owned portfolio to 50.4k spaces. The initiative, starting mid-3Q25, will deploy smart, community-focused parking solutions to enhance mobility, accessibility, and urban connectivity in Dubai.
- **31 July 2025:** Parkin partnered with IACAD to manage around 2.1k parking spaces across 59 mosque sites in Dubai, offering free parking for one hour during prayer times. Launching in August 2025, this first-of-its-kind initiative enhances worshipper convenience and expands Parkin's private parking portfolio to 20.8k spaces.
- **16 December 2024:** Parkin signed an MoU with Saudi Arabia's BATIC to explore smart city parking solutions across the Kingdom. The partnership aligns with Saudi Vision 2030 and aims to combine Parkin's operational expertise with BATIC's local network to enhance mobility through advanced digital technologies.
- **10 December 2024:** Parkin signed an MoU with AWQAF Dubai to develop a seven-floor, 350-space multi-story parking facility in Al Sabkha, set to begin construction in H2 2025. The 25-year partnership is expected to generate AED 200 Mn for AWQAF Dubai, enhancing sustainable endowment growth and urban mobility.
- **23 October 2024:** Parkin partnered with Majid Al Futtaim to introduce barrierless parking at Mall of the Emirates, City Centre Deira, and City Centre Mirdif under a 5-year contract starting January 2025. The system will cover 21k spaces, easing access for over 20 Mn cars annually while maintaining existing parking fees.
- **26 March 2025:** Parkin announced that Dubai's Variable Parking Tariff Policy will take effect on 4 April 2025, introducing peak and off-peak pricing across all public and select developer-operated parking spaces to enhance traffic flow and parking efficiency. The policy applies higher tariffs during six peak hours daily, while off-peak rates remain unchanged.
- **3 October 2024:** Parkin signed an MoU with Skyports Infrastructure to collaborate on developing integrated air taxi vertiport infrastructure across Dubai. The partnership combines Parkin's extensive parking network with Skyports' expertise in advanced air mobility, enabling seamless, multimodal transport and new revenue opportunities from managing parking at vertiport site.

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	6.43	75.0%	4.82
DDM Method	6.11	15.0%	0.92
Average of PE & EV/EBITDA	4.54	10.0%	0.45
Weighted Average Valuation (AED)			6.20
Current market price (AED)			5.85
Upside/Downside (%)			+6.0%

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 8.4%. It is arrived after using the cost of equity of 8.6% and after-tax cost of debt of 4.8%. The cost of equity is calculated by using a 10-year government bond yield of 5.3%, a beta of 0.83, and an equity risk premium of 4.1%. 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)	4,080
Terminal value (AED, Mn)	15,791
FV to Common shareholders (AED, Mn)	19,293
No. of share (Mn)	2,999
Current Market Price (AED)	5.85
Fair Value per share (AED)	6.43

DCF Method

(All Figures in AED, Mn)	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
NOPAT	672	821	901	971	1,039	1,111
Depreciation & Amortization	48	48	49	50	49	49
Capex	-34	-35	-41	-35	-37	-37
Change in Working Capital	4	8	37	49	62	5
Free Cash Flow to Firm (FCFF)	691	842	946	1,035	1,113	1,129
Discounting Factor	0.99	0.91	0.84	0.78	0.72	0.66
Discounted FCFF	171¹	768	796	803	797	745

Source: FAB Securities, ¹Adjustment 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 50% to the infrastructure peers' median valuation multiple to value Parkin. It is valued at a 2026 EV/EBITDA multiple of 16.4x compared to a peer median valuation of 10.9x. In addition, it is valued at a 2026 P/E multiple of 24.5x compared to a peer median valuation of 16.3x.

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2025F	2026F	2025F	2026F
<u>Regional Infrastructure Cos</u>					
Dubai Taxi Company	1,836	11.0	10.2	17.4	16.3
Salik Co PJSC	12,516	22.4	20.7	28.7	25.7
Dubai Electricity & Water Authority	37,976	10.1	9.6	18.5	17.2
Emirates Central Cooling System	4,465	11.9	10.9	16.9	14.9
Abu Dhabi National Oil Co	12,454	11.7	11.3	16.5	16.1
Average		13.4x	12.5x	19.6x	18.0x
Median		11.7x	10.9x	17.4x	16.3x
Max		11.9x	11.3x	18.5x	17.2x
Min		11.0x	10.2x	16.9x	16.1x

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 8.6%.

Sum of PV (AED, Mn)	4,038
Terminal value (AED, Mn)	14,279
FV to Common shareholders (AED, Mn)	18,317
No. of share (Mn)	2,999
Current Market Price (AED)	5.85
Fair Value per share (AED)	6.11

(All Figures in AED Mn)	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Dividend Paid						
H1		393	448	495	537	540
H2	348	393	448	495	537	540
Total Dividend	348	786	895	990	1,073	1,080
Discounting Factor	0.99	0.91	0.84	0.77	0.71	0.65
Present Value of Dividend	344	715	750	763	762	705

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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