

## Aldar Properties

Current Price	Target Price	Upside/Downside (%)	Rating
AED 10.80	AED 12.00	+11%	ACCUMULATE

### 4Q25 Net Profit higher than our estimate

- Aldar revenue rose significantly, 58.0% YOY to AED 10.3 Bn in 4Q25, with higher revenues recorded across all operating segments.
- Direct cost grew 64.3% YOY to AED 6.8 Bn in 4Q25, higher than the revenue growth.
- Gross profit increased significantly 46.9% YOY to AED 3.5 Bn in 4Q25, while gross margins decreased 254 bps YOY to 33.9% in 4Q25.
- EBITDA rose significantly from AED 2.3 Bn in 4Q24 to AED 3.4 Bn in 4Q25, primarily supported by high occupancy levels, rising rental rates, and contributions from recent strategic acquisitions.
- Development EBITDA increased significantly from AED 1.1 Bn in 4Q24 to AED 2.2 Bn in 4Q25, while Investment Adj. EBITDA rose from AED 713 Mn in 4Q24 to AED 902 Mn in 4Q25.
- Operating profit increased drastically from AED 1.8 Bn in 4Q24 to AED 2.8 Bn in 4Q25, with a marginal expansion in margin of 39 bps YOY to 27.7% in 4Q25.
- Aldar's net profit grew 50.5% YOY to AED 2.5 Bn in 4Q25, primarily driven by strong earnings growth across the core business platforms.
- The Company's Development segment revenue backlog rose to an all-time high of AED 71.7 Bn in 4Q25, including AED 61.0 Bn in the UAE, providing clear visibility on revenue recognition over the next two to three years.
- Investment Properties recorded a strong overall occupancy rate of around 96% (as of Dec 2025) across its commercial, retail, residential, and logistics portfolio.

### Earnings Call Summary

- Aldar Investment further strengthened its position as a leading regional real estate owner and investment manager, with AUM reaching AED 49 Bn in 2025. The platform continued to deploy capital into M&A and expand develop-to-hold pipeline.
- The Company's international sales increased 97.5% YOY to AED 3,035 Mn in 4Q25, driven by project launches across Egypt, London, and the UAE, with some sales lumpiness due to launch timing rather than structural demand shifts.
- The Company announced the formation of Aldar Capital through a joint venture with Mubadala Capital to drive capital-light growth and income diversification, with plans to launch its first USD 1 Bn fund leveraging Mubadala Capital's institutional investor network by end of 2026.
- The Company's strategic partnership with Mubadala Investment Company has expanded through the North Al Maryah Island development. The project GDV of over AED 60 Bn is expected to double the commercial enhancing lifestyle offerings, and advance master planning in 2026.
- The retail joint venture between Aldar and Mubadala closed in 2025, with Aldar holding 75% and Mubadala 25%, based on final independent valuations.
- Aldar advanced its growth strategy by launching three projects in 4Q25 which totalled to 11 launches in 2025 across the UAE, including Fahid Island in Abu Dhabi.
- Aldar also sold an eight-bedroom mansion at Faya Al Saadiyat for AED 400 Mn, marking Abu Dhabi's most valuable residential transaction YTD.
- In early 2026, Aldar added AED 23 Bn of cost development values to its Abu Dhabi land bank across 2.3 Mn SQM, enabling the development of c. 3,000 new homes. These sites will be developed through a 51:49 joint venture, with Aldar leading development, sales, and delivery.

- In Dubai, Aldar expanded its strategic partnership with Dubai Holding during 1Q26, by adding two land plots with a combined gross development value of AED 38 Bn. The developments include a mid-market community along the D54 growth corridor and a luxury waterfront project in Jebel Ali.
- Aldar deployed AED 2.1 Bn of capital expenditure across ongoing D-Hold projects in 2025, with spend below guidance due to timing shifts and project delays. The Company further plans AED 3 to 4 Bn in Capex in 2026, supporting future recurring income growth.
- D-Hold pipeline stands at AED 17.2 Bn, scheduled for delivery over the next four years, and is expected to enhance recurring income and long-term capital appreciation while maintaining balanced asset class exposure.
- In 2025, the Company raised AED 18.7 Bn in capital, including AED 9 Bn sustainability-linked revolving credit facility, AED 2.3 Bn in hybrid bonds, and multiple green Sukuk issuances.
- In 2025, the Company deployed AED 3.3 Bn of capital to scale up its Investment platform, including AED 362 Mn to fully consolidate Al Maryah Tower, over AED 1.1 Bn in industrial and logistics acquisitions, and AED 722 Mn to raise its stake in Aldar Estates to 82.55%.
- Similarly, the Company issued an additional AED 1 Bn hybrid in 2026, with the issuance rated Baa3 by Moody's, one notch below Aldar's Baa2 corporate rating and carrying a stable outlook.
- The Company adjusted EBITDA increased 19.8% to AED 3.2 Bn in 2025 and further guides adjusted EBITDA of AED 12.7-13.3 Bn in 2026 and growth of 25-30% over 3 yrs until FY28. Capital allocation for 2026 is expected to include AED 3 to 4 Bn in M&A deployment and AED 9-12 Bn over 3 yrs until FY28.
- Aldar Development sales is expected to be in the range of AED 45-49 Bn and EBITDA is expected in the range of AED 9.5-10.0 Bn for 2026 and growth of 30-35% over 3 yrs until FY28. Within this, the Project Management Services (PMS) platform is targeted to deliver EBITDA of AED 0.9-1.0 Bn for 2026. Gross Profit margin of PDS in UAE is expected to stay in the range of 37-39% for 2026 and 38-40% over 3 yrs until FY28.
- Aldar Investment is guiding adjusted EBITDA of AED 3.7 to 3.9 Bn for 2026 and growth of 18-20% over 3 yrs until FY28, with incremental M&A contributions of AED 140 Mn to 180 Mn for 2026, reflecting recent and planned acquisitions.
- Aldar's BOD recommended a dividend of AED 0.205 per share, an increase of 10.8% YOY, representing a total payout of AED 1.61 Bn for FY2025.

#### Aldar Properties – P&L

AED Mn	4Q24	3Q25	4Q25	4Q25F	Var.	YOY Ch	QOQ Ch
Revenue	6,498	8,026	10,265	8,575	19.7%	58.0%	27.9%
Direct costs	-4,129	-5,274	-6,784	-5,694	19.1%	64.3%	28.6%
<b>Gross profit</b>	<b>2,369</b>	<b>2,752</b>	<b>3,482</b>	<b>2,881</b>	<b>20.8%</b>	<b>46.9%</b>	<b>26.5%</b>
Operating expenses	-594	-516	-637	-667	-4.5%	<b>7.2%</b>	<b>23.5%</b>
<b>EBITDA</b>	<b>2,312</b>	<b>2,488</b>	<b>3,438</b>	<b>2,822</b>	<b>21.8%</b>	<b>48.7%</b>	<b>38.2%</b>
<b>EBIT</b>	<b>1,775</b>	<b>2,236</b>	<b>2,845</b>	<b>2,214</b>	<b>28.5%</b>	<b>60.2%</b>	<b>27.2%</b>
<b>Profit before tax</b>	<b>2,079</b>	<b>2,148</b>	<b>3,140</b>	<b>2,534</b>	<b>23.9%</b>	<b>51.0%</b>	<b>46.2%</b>
Tax	-150	-287	-272	-283	-3.9%	81.6%	-5.1%
NCI	289	332	399	244	63.3%	37.9%	20.1%
<b>Profit for the period</b>	<b>1,640</b>	<b>1,529</b>	<b>2,469</b>	<b>2,007</b>	<b>23.0%</b>	<b>50.5%</b>	<b>61.4%</b>

FABS estimate & Co Data

## Aldar Management Guidance:

	FY 24	FY 25 (Actual)	FY 26 (1yr Guidance)	FY 28 (3yr Guidance, 2025 base)
<b>Aldar Properties</b>				
Adj. EBITDA	AED 6.8bn	AED 9.9bn	AED 12.7 to 13.3bn	+25% to 30% 3yr CAGR
Deployment (M&A)	AED 2.3bn	AED 3.3bn <sup>1</sup>	AED 3 to 4bn	AED 9 to 12bn over 3 yrs
Capex (D-Hold)	AED 2.3bn	AED 2.1bn <sup>2</sup>	AED 3 to 4bn	AED 9 to 12bn over 3 yrs
<b>Aldar Development (AD)</b>				
Sales	AED 33bn	AED 40.6bn	AED 45 to 49bn	+30-35% 3yr CAGR
EBITDA	AED 4.3bn	AED 7.2bn	AED 9.5 to 10.0bn	
o/w PMS	AED 0.65bn	AED 0.9bn	AED 0.9 to 1.0bn	
Gross Profit Margin – PDS (UAE)	33%	36%	37-39%	38% to 40%
<b>Aldar Investment (AI)</b>				
Adj. EBITDA	AED 2.7bn	AED 3.2bn	AED 3.7 to 3.9bn	+18-20% 3yr CAGR
o/w M&A contribution		AED 0.3bn	AED 0.14 to 0.18bn	

## Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

## FAB Securities Contacts:

### Research Analyst

Ahmad Banihani                      +971-2-6161629                      [ahmad.banihani@Bankfab.com](mailto:ahmad.banihani@Bankfab.com)

### Sales & Execution

Abu Dhabi Head Office

Trading Desk                      +971-2-6161700/1                      Online Trading Link  
    +971-2-6161777

Institutional Desk                      +971-4-4245765

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