FAB SECURITIES
أبوظبي الأول للأوراق المالية

First Look Note | 4Q25

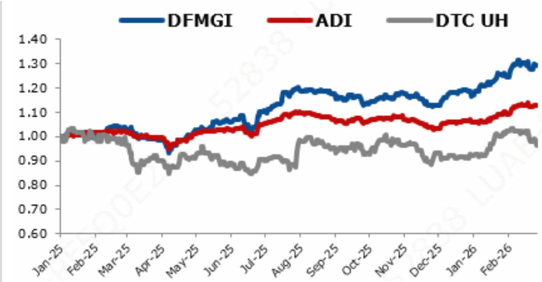
UAE Equity Research   Sector: Industrials   Market: DFM

Dubai Taxi Company (DTC)

Sustained fleet expansion and trip growth supported revenue and margin expansion

Current Price	Target Price	Upside/Downside (%)	Rating
AED 2.68	AED 3.00	+12%	ACCUMULATE

- Total fleet size increased from 9,418 in 2024 to 11,126 in 2025, while the number of trips grew 8.0% YOY to AED 53 Mn.
- E-hailing trips surged 24.0% YOY to 21 Mn in 2025, reflecting strong digital adoption and progress toward Dubai's target of shifting 80% of taxi trips to e-hailing.
- Gross profit increased 14.2% YOY to AED 161 Mn in 4Q25, with a 33 bps YOY expansion in gross margin to 23.8%.
- Net debt-to-EBITDA improved to 1.0x in 4Q25, from 1.5x in 3Q25.
- Board recommended a final dividend of AED 142 Mn for 2H25 (5.68 fils per share), to be distributed in April 2026, subject to shareholder approval.



Stock Information	
Market Cap (AED, Mn)	6,700.00
Paid Up Capital (Mn)	100.00
52 Week High	2.89
52 Week Low	2.30
3M Avg. daily value (AED)	3,396,851

4Q25 Result Review (AED, Mn)	
Total Assets	2,394
Total Liabilities	1,919
Total Equity	475
EBITDA	166
Net Profit	91

Financial Ratios	
Dividend Yield (12m)	4.22
Dividend Pay-out (%)	85.03
Price-Earnings Ratio(x)	18.79
Price-to-Book Ratio (x)	14.11
Book Value (AED)	0.19
Return-on Equity (%)	80.43

Stock Performance	
5 Days	-5.63%
1 Months	-3.94%
3 Months	6.77%
6 Months	0.00%
1 Year	-0.74%
Month to Date (MTD%)	-5.63%
Quarter to Date (QTD%)	4.28%
Year to Date (YTD%)	4.28%

4Q25 Net Profit lower than our estimate

Dubai Taxi Company P.J.S.C. (DTC/ the Company) reported a 7.7% YOY increase in net profit to AED 91 Mn in 4Q25, lower than our estimate of AED 114 Mn. The growth in net profit is mainly driven by revenue growth coupled with decrease in impairment loss on financial asset, partially offset by higher operating costs, increased plate and license fees, elevated G&A expenses, higher finance cost and tax expenses, coupled with lower other income.

P&L Highlights

DTC's revenue grew 12.6% YOY to AED 675 Mn in 4Q25, reflecting sustained momentum and strong execution in the final quarter. On a like-for-like (LFL) basis, excluding Connectech, revenue rose 12.1% YOY to AED 670 Mn in 4Q25. Revenue from the Taxi segment increased 9.1% YOY to AED 576 Mn in 4Q25, while Limousine segment revenue rose 2.5% YOY to AED 36 Mn in 4Q25. Delivery Bike revenue increased significantly from AED 14 Mn in 4Q24 to AED 25 Mn in 4Q25, whereas Bus segment revenue declined marginally 0.5% YOY to AED 31 Mn in 4Q25. DTC's taxi fleet size expanded from 5,960 taxis in 4Q24 to 6,217 in 4Q25. Similarly, the Delivery bike fleet increased significantly from 1,841 bikes in 4Q24 to 3,068 bikes in 4Q25. Operating costs rose 13.5% YOY to AED 422 Mn in 4Q25, mainly due to higher staff costs, increased commission, higher fuel expenses, D&A expenses, staff bonus, vehicle maintenance expenses and other operating costs, partially offset by a decline in VAT and rent expenses. Plate and license fee increased 6.1% YOY to AED 92 Mn in 4Q25. Thus, the Company's gross profit increased 14.2% YOY to AED 161 Mn in 4Q25, with a 33 bps YOY expansion in gross margin to 23.8% in 4Q25. This was driven by increase in gross profits from Taxi and Delivery Bike segments, partially offset by decreased gross profit in the Limousine and Bus segments. G&A expenses rose 36.6% YOY to

AED 48 Mn in 4Q25. Other income declined from AED 7 Mn in 4Q24 to AED 5 Mn in 4Q25. Impairment losses decreased to AED 5 Mn in 4Q25, compared to AED 8 Mn in 4Q24. EBITDA increased 8.9% YOY to AED 166 Mn in 4Q25, however the EBITDA margin declined to 24.5% in 4Q25, from 25.4% in 4Q24. Operating profit rose 7.4% YOY to AED 113 Mn in 4Q25, and operating profit margin declined 82 bps YOY to 16.7% in 4Q25. Furthermore, the Company's finance income decreased 0.7% YOY to AED 3 Mn in 4Q25, while the finance cost increased 4.5% YOY to AED 16 Mn in 4Q25. Income tax expenses rose 6.6% YOY to AED 9 Mn in 4Q25.

Balance Sheet Highlights

DTC's cash and cash equivalents, including Wakala deposits, increased to AED 332 Mn in 4Q25 from AED 139 Mn in 3Q25. The Company's debt remained unchanged at AED 998 Mn in 4Q25 compared to 3Q25. Reported net debt to LTM EBITDA ratio declined to 1.0x in 4Q25 from 1.5x in 3Q25. Net capex decreased from AED 178 Mn in 4Q24 to AED 72 Mn in 4Q25.

Target Price and Rating

We revise our rating from BUY to ACCUMULATE on Dubai Taxi Company (DTC) with an unchanged target price of AED 3.00. The Company's share price grew 5.8% since our last rating (January 2026). DTC delivered a strong operational and financial performance in 2025, supported by fleet expansion and sustained demand across mobility segments. The Company's total fleet increased from 9,418 vehicles in 2024 to 11,126 in 2025, with its operational taxi fleet reaching 6,217 vehicles, including 525 fully electric vehicles, reflecting steady progress toward a more sustainable fleet while maintaining a leading 45% taxi market share in Dubai. DTC completed 53 Mn trips across its taxi and limousine segments in 2025, marking an 8.6% YOY increase, while e-hailing trips surged 24.0% YOY to 21 Mn in 2025, reflecting strong digital adoption and alignment with Dubai's goal to shift 80% of taxi trips to e-hailing. The Company's Delivery Bike segment also saw robust growth, with revenue rising from AED 43 Mn in 2024 to AED 78 Mn in 2025, driven by fleet expansion and rising delivery demand. The Company's strategic partnership with Bolt continues to drive strong growth in e-hailing trips across both the taxi and limousine segments, supported by the ongoing expansion of capabilities across its fleet. Through its partnership with Bolt, DTC recorded 7.2 Mn trips in 4Q25, a 70% QOQ increase, while expanding its network to 279 fleet partners, contributing to 863,000 app downloads and a 7% QOQ increase in registered cars. DTC has been actively pursuing strategic partnerships to enhance service integration and unlock new revenue opportunities. The Company's collaboration with Presight is set to accelerate digital transformation through AI-powered mobility solutions, including the development of an EV Mobility Intelligence Platform to improve fleet efficiency and sustainability. The partnership with Network International strengthens digital payment capabilities on the Bolt platform, while the collaboration with Parkin Company supports smart mobility initiatives such as EV charging, taxi parking, and data-driven transport services. In logistics, DTC partnered with Keeta to expand its last-mile delivery offering, with plans to deploy up to 500 delivery motorbikes and explore advanced solutions including drones and autonomous vehicles. Additionally, a long-term agreement with Dubai Electricity and Water Authority (DEWA) is expected to see the rollout of 208 ultra-fast EV charging stations under DEWA's EV Green Charger initiative. DTC has also joined forces with KABI by Al Ghurair, one of Dubai's largest taxi operators, to foster strategic cooperation and shared innovation, further strengthening its position in shaping the future of mobility in the UAE. The Company continues to focus on efficiency, digital enablement, and fleet optimization to strengthen margins, while progressing toward its long-term target of full fleet electrification by 2040. Financially, DTC maintains a strong balance sheet, with a conservative net debt-to-EBITDA ratio of 1.0x and cash and cash equivalents of AED 332 Mn, including wakala deposits, as of 2025. DTC board also proposed a 2H25 dividend of AED 142 Mn, taking total 2025 dividends to AED 303 Mn, representing a 7.5% YOY increase and adhering to the Company's policy of distributing at least 85% of annual net profit. Thus, considering the above-mentioned factors, we assign a HOLD rating on the stock.

DTC- Relative valuation

(at CMP)	2023	2024	2025	2026F
P/E	19.8	20.7	19.2	16.7
P/B	22.3	16.7	14.4	12.0
EV/EBITDA	15.3	12.9	11.5	10.3
BVPS	0.123	0.164	0.190	0.228
EPS	0.138	0.133	0.143	0.164
DPS	0.028	0.113	0.121	0.140
Dividend yield	1.0%	4.1%	4.4%	5.1%

FABS Estimates & Co Data

Note – Dubai Taxi Company was listed on DFM in 2023. Thus, the financial multiple for the prior period is unavailable

DTC– P&L

AED Mn	4Q24	3Q25	4Q25	4Q25F	Var	YOY Ch	QOQ Ch	2024	2025	Change
Revenue	600	585	675	664	1.7%	12.6%	15.4%	2,197	2,474	12.6%
Operating cost	-372	-370	-422	-396	6.6%	13.5%	14.2%	-1,385	-1,538	11.0%
Plate & license fee	-87	-92	-92	-92	0.6%	6.1%	0.0%	-329	-367	11.8%
Gross profit	**141**	**123**	**161**	**176**	**-8.9%**	**14.2%**	**30.4%**	**483**	**569**	**17.8%**
Other Income	7	2	5	14	-61.1%	-25.6%	NM	37	16	NM
G&A Expenses	-35	-26	-48	-42	15.1%	36.6%	NM	-104	-139	34.5%
Impairments	-8	-2	-5	-10	-47.8%	-33.7%	NM	-4	-3	NM
Operating profit	**105**	**98**	**113**	**138**	**-18.7%**	**7.4%**	**15.0%**	**412**	**443**	**7.5%**
EBITDA	**152**	**151**	**166**	**185**	**-10.3%**	**8.9%**	**9.5%**	**584**	**652**	**11.6%**
Finance Income	3	3	3	4	-38.3%	-0.7%	-5.6%	15	13	-14.3%
Finance Cost	-15	-17	-16	-18	-11.0%	4.5%	-4.5%	-63	-64	2.8%
Staff Bonus	0	0	0	0	NM	NM	NM	0	0	NM
Profit Before Tax	**92**	**84**	**99**	**125**	**-20.4%**	**7.6%**	**18.1%**	**364**	**391**	**7.5%**
Tax	-8	-8	-9	-11	-20.0%	6.6%	13.6%	-33	-35	7.2%
Net Profit	**84**	**76**	**91**	**114**	**-20.5%**	**7.7%**	**18.6%**	**331**	**356**	**7.5%**

FABS estimate & Co Data

DTC - Margins

	4Q24	3Q25	4Q25	YOY Ch	QOQ Ch	2024	2025	Change
Gross Profit	23.5%	21.1%	23.8%	33	274	22.0%	23.0%	102
EBITDA	25.4%	25.9%	24.5%	-83	-131	26.6%	26.4%	-25
Operating Profit	17.5%	16.7%	16.7%	-82	-6	18.8%	17.9%	-85
Net Profit	14.0%	13.1%	13.4%	-61	36	15.1%	14.4%	-69

FABS estimate & Co Data

Key Developments:

- **09 December 2025:** DTC partnered with Coca-Cola Arena to become the exclusive limousine service provider for arena events, enhancing premium transport solutions for attendees. The agreement includes deployment of a dedicated fleet of high-end limousines and taxis with real-time operational coordination to ensure seamless, on-demand service. The partnership aims to elevate customer experience, strengthen DTC's premium mobility presence, and support Dubai's position as a leading global events destination.
- **16 October 2025:** Bolt partnered with Network International as its official digital payments provider for ride-hailing operations in the UAE. The collaboration enhances in-app payment processing speed, security, and reliability, while complementing existing POS integration across DTC taxis. The initiative strengthens Bolt's digital infrastructure and supports a seamless payment experience for riders and drivers.
- **16 October 2025:** DTC signed an MoU with Presight at GITEX 2025 to accelerate AI-driven mobility transformation and support smart, sustainable transport initiatives. The partnership will develop AI-based proof-of-concepts, including an EV Mobility Intelligence Platform integrating real-time telemetry, predictive analytics, and carbon tracking to optimize fleet performance and resource allocation. The collaboration supports DTC's digital transformation strategy, enhances operational efficiency, and advances Dubai's transition toward data-driven and sustainable mobility solutions.
- **15 October 2025:** DTC partnered with Parkin Company PJSC to enhance smart mobility and sustainable transport solutions across Dubai. The agreement includes dedicated taxi parking, deployment of rapid EV chargers, data-sharing to optimize operations, and integration of Parkin's Business Wallet. The collaboration supports fleet electrification, operational efficiency, and enhanced customer experience.
- **14 October 2025:** DTC signed an MoU with du to migrate its mission-critical core systems to du's sovereign National Hypercloud platform. The Oracle Alloy-based infrastructure will enhance performance, scalability, and AI capabilities while ensuring full data sovereignty and compliance with the UAE's Cloud First strategy. The initiative supports DTC's digital transformation and is expected to improve operational efficiency and reduce legacy IT costs.
- **13 October 2025:** Dubai Taxi Company (DTC) signed a strategic partnership with Keeta, Meituan's international arm, to enhance last-mile delivery and develop advanced logistics solutions in Dubai. The deal includes deploying 150 delivery bikes initially, expanding to 500 by year-end, expected to generate AED 10 Mn in the first year to support DTC's diversification into e-commerce logistics and future innovations such as drone and autonomous deliveries.
- **24 September 2025:** The Company, in partnership with Bolt, has formed a strategic alliance with Kabi by Al Ghurair and Zed to enhance Dubai's ride-hailing ecosystem. The partnership integrates over 9,800 taxis from DTC and Kabi into the Bolt and Zed platforms, improving availability and reducing wait times while supporting the RTA's goal to shift 80.0% of taxi trips to e-hailing.
- **22 May 2025:** DTC and Bolt have expanded their partnership by integrating over 6,000 DTC taxis—including People of Determination and Ladies & Family taxis—onto the Bolt platform. The move supports Dubai's goal to transition 80% of taxi trips to e-hailing and enhances convenience, safety, and service quality for commuters. This milestone, part of DTC's 2025–2029 growth strategy, strengthens its leadership in smart mobility while advancing Dubai's vision of a connected and sustainable transport ecosystem.
- **25 February 2025:** Dubai Taxi Company signed an exclusive five-year partnership with Dubai Airports to provide taxi services at Dubai International (DXB) and Al Maktoum International (DWC). The deal is

expected to generate AED 2.5 Bn in revenue through 8 Mn trips by 2029. DTC will operate around 900 airport taxis and 500 premium limousines equipped with smart dispatch and cashless systems, supporting Dubai's D33 vision and reinforcing its position as the emirate's leading mobility provider.

- **03 January 2025:** DTC unveiled its 2025–2029 corporate strategy, outlining plans for sustainable growth, diversification, and innovation. The five-year roadmap focuses on maintaining leadership in the taxi market while expanding into limousine and delivery services, alongside regional growth. Anchored by a new vision "Preferred mobility choice for everyone" the strategy targets double-digit growth, strong dividends, and greater sustainability through electric and hybrid vehicles. Strengthened by partnerships like Bolt, DTC aims to drive Dubai's smart mobility goals, supporting the RTA's target to shift 80% of taxi trips to e-hailing.
- **14 November 2024:** The Company expanded its fleet with 250 new RTA-issued plates—all allocated to electric vehicles, boosting its total taxi fleet to 6,210 and annual revenue by about AED 85 Mn. With this addition, 87% of DTC's fleet now comprises hybrid and electric vehicles, reinforcing its leadership in sustainable mobility. The move supports the Dubai 2040 Urban Master Plan and DTC's goal to expand regionally while promoting eco-friendly and innovative transport solutions.

Valuation:

We use Discounted Free Cash Flow (DCF), Relative Valuation (RV), and Discounted Dividend Method (DDM) to value Dubai Taxi Company P.J.S.C. We have assigned 70% weight to DCF, 15% to DDM, and 15% to EV/EBITDA.

Valuation Method	Valuation	Weight	Weighted Value
DCF Method	3.17	70.0%	2.22
DDM Method	2.39	15.0%	0.36
EV/EBITDA	2.84	15.0%	0.43
Weighted Average Valuation (AED)			**3.00**
Current market price (AED)			2.68
Upside/Downside (%)			+12%

1) DCF Method:

Dubai Taxi 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 8.9%. It is arrived after using the cost of equity of 9.3% and after-tax cost of debt of 6.0%. Cost of equity is calculated by using a 10-year government bond yield of 5.1%, a beta of 0.90 and an equity risk premium of 4.6%. Government bond yield is calculated after adding Dubai's Government spread over the 10-year US risk-free rate. Also, assumed a terminal growth rate of 2.0%.

Sum of PV (AED, Mn)	2,183
Terminal value (AED, Mn)	6,332
FV to Common shareholders (AED, Mn)	**7,919**
No. of share (Mn)	2,500
Current Market Price (AED)	2.68
Fair Value per share (AED)	**3.17**

DCF Method

(All Figures in AED, Mn)	FY 2026E	FY 2027E	FY 2028E	FY2029E	FY 2030E
NOPAT	458	500	535	562	588
Depreciation & Amortization	226	232	238	262	286
Capex	-197	-201	-246	-246	-244
Change in Working Capital	4	6	17	-5	18
Free Cash Flow to Firm (FCFF)	**491**	**538**	**543**	**573**	**648**
Discounting Factor	0.93	0.85	0.78	0.72	0.66
Discounted FCFF	**457**	**459**	**426**	**413**	**428**

Source: FAB Securities

2) Relative Valuation:

We have used local as well as international peers to value Dubai Taxi Corporation, and it is valued using the 2026 EV/EBITDA multiple of 10.6x in line with peers.

Company	Market (USD Mn)	EV/EBITDA (x) 2026F	EV/EBITDA (x) 2027F	P/E (x) 2026F	P/E (x) 2027F
Regional Infrastructure and Taxi Cos					
Salik	13,027	22.2	22.2	27.8	25.3
Empower	4,819	12.0	12.0	16.0	15.1
Dewa	41,517	10.0	10.0	17.4	16.9
ADNOC Drilling	22,681	11.1	11.1	NA	NA
ADNOC Distribution	13,714	11.9	11.9	16.2	15.5
Budget	1,176	5.5	5.5	10.2	9.3
Theeb	580	5.3	5.3	9.6	9.1
Lumi	620	4.9	4.9	10.1	8.8
Average		**10.4x**	**10.4x**	**15.3x**	**14.3x**
Median		**10.6x**	**10.6x**	**16.0x**	**15.1x**
Max		**11.9x**	**11.9x**	**16.8x**	**16.2x**
Min		**5.4x**	**5.4x**	**10.2x**	**9.2x**

Source: FAB Securities

3) DDM Method:

DTC maintains a policy to declare regular dividends to shareholders in the forecasted period. The Company is expected to pay a regular dividend of at least 85% of annual net profit in the forecasted period. The dividend is discounted at the cost of equity of 9.3%.

Sum of PV (AED, Mn)	1,620
Terminal value (AED, Mn)	4,355
FV to Common shareholders (AED, Mn)	**5,975**
No. of share (Mn)	2,500
Current Market Price (AED)	2.68
Fair Value per share (AED)	**2.39**

(All Figures in AED Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Dividend Paid					
H1	175	197	213	227	239
H2	175	197	213	227	239
Total Dividend	**350**	**393**	**427**	**453**	**478**
Discounting Factor	0.93	0.85	0.78	0.71	0.65
Present Value of Dividend	**324**	**333**	**331**	**322**	**310**

Source: FAB Securities

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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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