

Parkin Company PJSC

Tariff Optimization and Portfolio Expansion Accelerate Earnings Growth

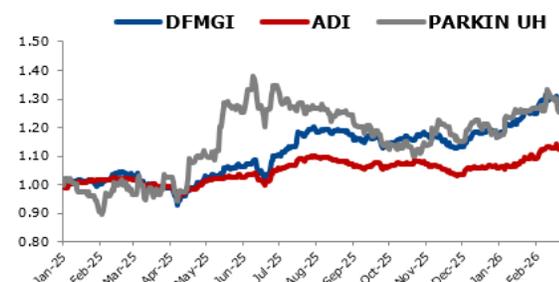
Current Price
AED 6.00

Target Price
AED 6.50

Upside/Downside (%)
+8%

Rating
HOLD

- Public Parking spaces increased 5.0% YOY to 193.2k in 4Q25, while Developer parking expanded to 32.2k in 4Q25 following new contracts signed during 2H25.
- The Company guides 2026 revenue of AED 560–610 Mn (Public Parking), AED 420–460 Mn (Enforcement), AED 260–280 Mn (Seasonal Cards) and AED 110–130 Mn (Developer), supported by 5.5k–7.5k new spaces.
- Capex is projected at AED 45–55 Mn for 2026, with margins subject to fixed-fee contracts and RTA pricing review outcomes.
- The Company's total 2025 dividend stands at AED 656 Mn (21.9 fils per share), comprising AED 312.0 Mn for 1H25 (10.4 fils) and AED 343.7 Mn for 2H25 (11.5 fils), subject to shareholder approval for the final distribution.



4Q25 Net Profit higher than our estimate

Parkin Company PJSC (PARKIN/the Company) net profit grew 53.0% YOY to AED 184 Mn in 4Q25, higher than our estimate of AED 171 Mn. The net profit growth was supported by higher revenue arising from (Public parking, Seasonal cards/permit fees and Enforcement) and lower finance costs, partially offset by increased operating expenses, depreciation and tax.

P&L Highlights

PARKIN's revenue grew 47.7% YOY to AED 386 Mn in 4Q25, driven by robust double-digit growth across all segments. Revenue from Public parking increased 29.0% YOY to AED 144 Mn in 4Q25, supported by the higher weighted average tariff coupled with implementation of the variable parking tariff and the expansion of public parking spaces, partially offset by lower utilization rate as customers shifted towards seasonal card purchases. Public parking spaces grew 5% YOY to 193.2k spaces in 4Q25. Moreover, a total of 9.2k new public parking spaces were added, including 5.4k in Zone C and 3.7k spaces in Zone D during 4Q25. Revenue from MSCPs increased 25.1% YOY to AED 4.3 Mn in 4Q25, supported by a rise in MSCP spaces following the reopening of the refurbished Al Rigga facility, which restored 440 spaces and supported higher transaction volumes. MSCP parking spaces increased from 3.2k in 4Q24 to 3.7k in 4Q25. Furthermore, MSCP transactions increased to 0.3 Mn in 4Q25, compared to 0.2 Mn in 4Q24. Revenue from Developer Parking increased 38.3% YOY to AED 28 Mn in 4Q25, supported by higher transaction volumes and the expansion of the developer parking portfolio following the addition of new contracted spaces. Moreover, Developer Parking spaces increased from 19.2k in 4Q24 to 32.2k in 4Q25, driven by various developer contracts signed during 2H25, which expanded the Company's developer parking portfolio by year-end. Nonetheless, Developer parking

Stock Information

Market Cap (AED, mm)	18,000.00
Paid Up Capital (mm)	60.00
52 Week High	6.79
52 Week Low	4.31
3M Avg. daily value (AED)	13,777,550

4Q25 Result Review (AED, Mn)

Total Assets	2,352
Total Liabilities	1,849
Total Equity	503
EBITDA	233
Net Profit	184

Financial Ratios

Dividend Yield (12m)	3.25
Dividend Pay-out (%)	104.77
Price-Earnings Ratio(x)	28.85
Price-to-Book Ratio (x)	36.31
Book Value (AED)	0.17
Return-on Equity (%)	127.29

Stock Performance

5 Days	-1.64%
1 Months	-1.96%
3 Months	6.01%
6 Months	-1.32%
1 Year	25.00%
Month to Date (MTD%)	-2.91%
Quarter to Date (QTD%)	5.45%
Year to Date (YTD%)	5.45%

spaces increased 9.0k QOQ to 32.2k in 4Q25. In addition, Average revenue per developer parking space increased by 0.8% YOY to AED 994 in 4Q25. Revenue from Seasonal cards and permits including the parking reservations grew from AED 46 Mn in 4Q24 to AED 78 Mn in 4Q25, mainly driven by record seasonal card sales. The total number of public parking seasonal cards sold increased from 37.2K in 4Q24 to 89.3k in 4Q25, reflecting strong growth across all durations. The increase in seasonal card sales was driven by customers capitalising on the value-for-money proposition of the unchanged seasonal card prices following the introduction of the variable parking tariff in April 2025. Revenue from fines grew by a strong 65.0% YOY to AED 127 Mn in 4Q25, mainly driven by a substantial increase in the volume of enforcement fines issued. The total number of fines issued increased from 509.0k in 4Q24 to 810.2k in 4Q25, supported by continued expansion of the parking portfolio and ongoing benefits from the Company's technology enabled smart scan car inspection fleet and targeted, data-driven field inspector deployment. Revenue generated from other services increased significantly 67.6% YOY to AED 3 Mn in 4Q25. The Company's other income fell from AED 0.4 Mn in 4Q24 to AED 0.3 Mn in 4Q25. Concession fee expense rose from AED 33 Mn in 4Q24 to AED 61 Mn in 4Q25, mainly driven by higher revenues from Public Parking, MSCPs, and Seasonal Cards and permits. It has been provisioned at a blended concession rate of up to 27.0% in relation to the relevant concession revenue streams for 2Q25, 3Q25, and 4Q25. Furthermore, revenues from enforcement and developer parking are exempt from concession fees. Commission expense increased 20.7% YOY to AED 13 Mn in 4Q25. PARKIN's employee benefit expenses expanded 18.9% YOY to AED 35 Mn in 4Q25, supported by an increase in headcount from 337 employees in 4Q24 to 354 employees in 4Q25, as the company continued strengthening its internal capabilities. Other expenses decreased from AED 24 Mn in 4Q24 to AED 20 Mn in 4Q25. As a result, PARKIN's EBITDA grew 47.2% YOY to AED 233 Mn in 4Q25. However, EBITDA margin increased marginally from 59.7% in 4Q24 to 59.8% in 4Q25. D&A expenses increased significantly from AED 9 Mn in 4Q24 to AED 16 Mn in 4Q25. The Company's finance costs fell 12.1% YOY to AED 15 Mn in 4Q25. In addition, the Company incurred an income tax charge of AED 18 Mn in 4Q25 compared to AED 12 Mn in 4Q24 in line with growth in profit before tax.

Balance sheet highlights

PARKIN's cash and cash equivalents stood at AED 221 Mn in 4Q25, compared to AED 132 Mn in 3Q25. In addition, the Company also held AED 245 Mn as short-term deposits in 4Q25. PARKIN generated a free cash flow to equity of AED 222 Mn in 4Q25, compared to AED 132.4 Mn in 4Q24. Free cash flow conversion ratio stood at 99% in 4Q25, compared to 98% in 4Q24 supported by robust revenue growth and the implementation of a CAPEX-light business model. The Company's net debt stood at AED 681.2 Mn in 4Q25. Parkin total available liquidity stood at AED 565.2 Mn, including the Murabaha revolving credit facility in 4Q25.

Target Price and Rating

We maintain our HOLD rating on PARKIN with a revised target price of AED 6.50. Parkin reported strong profitability growth in 4Q25, supported by healthy topline expansion, benefits from the variable parking tariff introduced earlier in the year, continued expansion of its operational network, steady transaction volumes, record seasonal card sales, and robust enforcement revenue. The Company added 22.6k spaces across the entire parking portfolio. However, Parkin recorded flat growth in parking transactions in 4Q25, with total parking volumes of 37.0 Mn in 4Q25 compared to 36.9 Mn in 4Q24. The steady performance in transaction volumes was primarily driven by a marginal decline in Public Parking transactions to 31.9 Mn in 4Q25 from 32.7 Mn in 4Q24, as customers continued shifting from hourly or short-term usage to seasonal cards, which offer greater value under the variable tariff structure. Whereas, Developer parking transaction volume grew to 4.8 Mn in 4Q25 compared to 4.0 Mn in 4Q24, supported by the expansion of the developer parking portfolio following multiple contracts signed during 2H25. Moreover, the weighted average hourly tariff in Public Parking rose 51% YOY to AED 3.03 in 4Q25 after the introduction of the variable parking tariff. This reflects the Company's ability to optimise pricing through differentiated tariffs across Standard and Premium zones, structured by peak and off-peak periods based on demand and location dynamics. Furthermore, following the introduction of the variable parking tariff in April 2025, customers capitalised on the value-for-money proposition presented by the existing seasonal card prices, leading to a notable increase in public parking seasonal card purchases during 4Q25. As a result, seasonal card sales surged 140% YOY to 89.3k in 4Q25, with growth recorded across all durations, particularly 1-month seasonal cards, which registered the highest

YOY increase. This shift contributed to revenue growth in 4Q25. However, the Company disclosed that the weighted average hourly tariff increased following the introduction of the variable parking tariff in April 2025, while customers continued to capitalise on the value-for-money proposition of seasonal cards. Additionally, total fines issued increased 59% YOY to 810.2k in 4Q25, supported by continued leveraging of its technology-enabled smart scan car inspection fleet and targeted, data-driven field inspector deployment reinforcing compliance across the network. Furthermore, the Company expanded its smart scan inspection fleet to 27 units and onboarded an equivalent number of trained drivers in February 2025, enabling inspectors who had previously undertaken smart scan driving responsibilities to transition to field or supervisory roles, effectively increasing operational inspector capacity. The Company's field enforcement team scanned a total of 11.5 Mn vehicle registration plates in 4Q25, compared to 5.0 Mn in 4Q24. Meanwhile, the Company's fleet of smart inspection cars scanned 17.5 Mn vehicle registration plates, supporting increased inspection capacity in 4Q25. The Company's MSCP portfolio also recorded solid performance in 4Q25, with spaces increasing 14% YOY to 3.7k, while transactions rose to 0.3 Mn in 4Q25. The growth was primarily driven by the reopening of the refurbished Al Rigga MSCP in July 2025, restoring access to 440 spaces equipped with barrierless, ticketless access technology. Additionally, Parkin signed a five-year agreement with DAMAC Properties to manage c. 3,600 parking spaces, including 500 on-street spaces in DAMAC Hills 1 and around 2,700 spaces across 44 residential and commercial towers in Downtown, DIFC, Dubai Marina, Business Bay and Al Reem Island, marking its first expansion into Abu Dhabi. The partnership strengthens the Company's developer parking portfolio and geographic footprint, with implementation commencing in 1Q26 and full integration of access control, ANPR and enforcement systems through the Parkin mobile platform. Additionally, the Company guided for continued revenue expansion in 2026, with Public Parking revenue expected at AED 560–610 Mn supported by the addition of 5.5k–7.5k spaces. Enforcement revenue is projected at AED 420–460 Mn, while Seasonal Card revenue is guided at AED 260–280 Mn in 2026, excluding any potential impact from the RTA's ongoing pricing review. Developer parking revenue is expected at AED 110–130 Mn in 2026. However, margin expansion may remain constrained due to minimum annual guarantee and fixed fee agreements recognised below EBITDA. Capital expenditure is projected at AED 45–55 Mn in 2026 compared to AED 14 Mn in 2025. Moreover, Parkin distributed an interim dividend of AED 312.0 Mn for 1H25, equivalent to 10.4 fils per share. Additionally, subject to shareholder approval, the Company announced a cash dividend of AED 343.7 Mn for 2H25 (11.5 fils per share), expected to be paid in late April 2026. As a result, total dividend for 2025 stood at 21.9 fils per share (AED 656 Mn). The current valuation captures most of the above positives leading us to assign a HOLD rating.

PARKIN- Relative valuation¹

(at CMP)	2024	2025	2026F
PE (x)	43.2	29.2	24.2
PB (x)	38.1	36.4	34.7
EV/EBITDA	33.5	24.1	19.3
BVPS	0.160	0.168	0.188
EPS	0.141	0.209	0.269
DPS	0.160	0.219	0.269
Dividend yield (%)	2.6%	3.6%	4.4%

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	4Q24	3Q25	4Q25	4Q25F	Var.	YOY Ch	QOQ Ch	2024	2025	YOY Ch
Revenues	261	337	386	361	6.7%	47.7%	14.4%	916	1,308	42.9%
Other Income	0.4	1	0.3	1	-65.8%	-41.1%	-80.6%	1	2	91.3%
Finance Income	4	5	4	6	-41.0%	0.6%	-27.5%	8	16	88.6%
Concession fee expense	33	61	61	60	1.5%	87.0%	0.3%	118	205	73.0%
Commission expense	11	11	13	14	-7.9%	20.7%	15.7%	33	44	34.6%
Maintenance expense	4	5	6	5	8.4%	57.4%	15.6%	19	21	8.0%
Employee benefits exp	29	34	35	37	-6.2%	18.9%	2.1%	104	138	32.8%
Var. lease payments	4	10	16	6	NA	NA	62.5%	14	36	NA
Impairment	3	3	5	3	NA	NA	54.3%	12	16	26.4%
Other Expenses	24	19	20	28	-26.0%	-15.1%	7.0%	48	69	44.2%
EBITDA	158	200	233	215	8.1%	47.2%	16.6%	577	798	38.3%
D&A exp	9	13	16	12	29.8%	77.8%	23.9%	48	52	7.6%
EBIT	149	187	217	203	6.8%	45.4%	16.1%	529	747	41.0%
Finance Cost	-17	-14	-15	-15	0.6%	-12.1%	6.1%	-64	-59	-7.4%
Earning Before Tax	132	173	202	188	7.3%	53.0%	16.9%	465	687	47.7%
Income Tax Expense	12	16	18	17	7.7%	52.7%	16.9%	42	62	47.9%
Net Profit	120	157	184	171	7.3%	53.0%	16.9%	423	626	47.7%

FABS estimate & Co Data

PARKIN - Margins

	4Q24	3Q25	4Q25	YOY Ch	QOQ Ch	2024	2025	YOY Ch
EBITDA	59.7%	58.2%	59.8%	10	162	62.4%	60.2%	-220
Operating profit	56.3%	54.5%	55.7%	-61	128	57.2%	56.3%	-91
Net profit	45.3%	45.7%	47.1%	186	141	45.8%	47.2%	140

FABS estimate & Co Data

Key Developments

- 11 December 2025:** Parkin signed a five-year agreement with DAMAC Properties to manage approximately 3,600 parking spaces, including 500 on-street spaces in DAMAC Hills 1 and around 2,700 spaces across 44 residential and commercial towers in Downtown, DIFC, Dubai Marina, Business Bay and Al Reem Island, marking its first expansion into Abu Dhabi. The partnership strengthens the Company's developer parking portfolio and geographic footprint, with implementation commencing in 1Q26 and full integration of access control, ANPR and enforcement systems through the Parkin mobile platform.
- 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	6.79	75.0%	5.10
DDM Method	6.37	15.0%	0.95
Average of PE & EV/EBITDA	4.50	10.0%	0.45
Weighted Average Valuation (AED)			6.50
Current market price (AED)			6.00
Upside/Downside (%)			+8%

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 8.3%. 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 5.1%, 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)	4,019
Terminal value (AED, Mn)	17,020
FV to Common shareholders (AED, Mn)	20,357
No. of share (Mn)	2,998
Current Market Price (AED)	6.00
Fair Value per share (AED)	6.79

DCF Method

(All Figures in AED, Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
NOPAT	801	955	1,029	1,099	1,168
Depreciation & Amortization	54	54	55	52	52
Capex	-48	-41	-35	-37	-37
Change in Working Capital	-10	-16	-1	1	1
Free Cash Flow to Firm (FCFF)	796	952	1,049	1,115	1,184
Discounting Factor	0.93	0.86	0.80	0.73	0.68
Discounted FCFF	744	821	834	818	802

Source: FAB Securities,

2) Relative Valuation:

We have used local peers to value Parkin, which uses the average of EV/EBITDA and PE multiple. Parkin is valued based on the multiple of a local infrastructure company. In addition, Parkin's business is comparable to Salik's as both operate under a concession agreement with RTA. Salik is trading at a premium multiple to other infrastructure peers; thus, we applied a premium of 40% to the infrastructure peers' median valuation multiple to value Parkin. It is valued at a 2026 EV/EBITDA multiple of 16.7x compared to a peer median valuation of 12.0x. In addition, it is valued at a 2026 P/E multiple of 22.8x compared to a peer median valuation of 16.3x.

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2026F	2027F	2026F	2027F
Regional Infrastructure Cos					
Dubai Taxi Company	1,973	9.7	8.9	15.7	14.3
Salik Co PJSC	13,992	22.3	20.7	27.9	25.4
Dubai Electricity & Water Authority	48,614	9.9	9.6	17.4	16.9
Emirates Central Cooling System	5,808	12.1	11.4	16.3	15.3
Abu Dhabi National Oil Co	15,051	12.0	11.6	16.3	15.6
Average		13.2x	12.4x	18.7x	17.5x
Median		12.0x	11.5x	16.3x	15.6x
Max		12.1x	11.6x	17.4x	16.9x
Min		9.9x	9.6x	16.3x	15.3x

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)	3,772
Terminal value (AED, Mn)	15,311
FV to Common shareholders (AED, Mn)	19,083
No. of share (Mn)	2,998
Current Market Price (AED)	6.00
Fair Value per share (AED)	6.37

(All Figures in AED Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Dividend Paid					
H1	372	452	494	527	562
H2	372	452	494	527	562
Total Dividend	744	905	987	1,054	1,123
Discounting Factor	0.93	0.86	0.79	0.73	0.67
Present Value of Dividend	694	777	781	767	753

Source: FAB Securities

