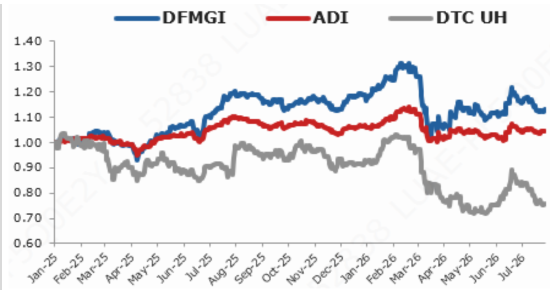
Dubai Taxi Company (DTC)

Operational resilience and strategic expansion support long-term growth

Current Price	Target Price	Upside/Downside (%)	Rating
AED 2.11	AED 3.00	+42.2%	BUY

- Total operational fleet increased 4.5% QOQ to 11,928 vehicles as of June 2026, driven by expansion across the taxi, bus, and delivery bike segments.
- Softer airport and tourism-related demand led to a 24.4% YOY decline in taxi and limousine trips during 2Q26.
- Completed the acquisition of National Taxi, increasing DTC's Dubai taxi market share to c.59%, adding more than 2,500 vehicles, and establishing the UAE's largest taxi operator.
- Deferred the interim dividend while reaffirming its commitment to distribute up to 85.0% of annual net profit, subject to Board approval.



Stock Information	
Market Cap (AED, Mn)	5,300.00
Paid Up Capital (Mn)	100.00
52 Week High	2.89
52 Week Low	1.97
3M Avg. daily value (AED)	6,071,102

2Q26 Result Review (AED, Mn)	
Total Assets	2,482
Total Liabilities	2,087
Total Equity	395
EBITDA	77
Net Profit	10

Financial Ratios	
Dividend Yield (12m)	5.71
Dividend Pay-out (%)	85.03
Price-Earnings Ratio(x)	23.20
Price-to-Book Ratio (x)	13.40
Book Value (AED)	0.16
Return-on Equity (%)	52.61

Stock Performance	
5 Days	-1.40%
1 Months	-9.01%
3 Months	1.44%
6 Months	-25.09%
1 Year	-12.76%
Month to Date (MTD%)	-9.40%
Quarter to Date (QTD%)	-9.40%
Year to Date (YTD%)	-17.51%

2Q26 Net Profit lower than our estimate

Dubai Taxi Company PJSC (DTC/ the Company) reported a decline in net profit from AED 105 Mn in 2Q25 to AED 10 Mn in 2Q26, lower than our estimate of AED 45 Mn. The decline in net profit was primarily driven by lower revenue owing to lower trip volume, lower finance income, and higher fuel costs, along with higher impairment charges, partially offset by a variable cost base, operational efficiency, lower finance costs, lower income tax expenses, and higher other income.

P&L Highlights

DTC's revenue declined 22.5% YOY to AED 485 Mn in 2Q26, reflecting softer trip volumes across the taxi and limousine segments, partially offset by growth in the bus and delivery bike segments. Revenue from the Taxi segment decreased 26.5% YOY to AED 397 Mn in 2Q26, reflecting lower trip volumes amid softer airport and tourism-related demand. Revenue from the Limousine segment declined 19.8% YOY to AED 24 Mn in 2Q26, primarily due to lower airport activity and softer international visitor demand. Delivery Bike revenue increased significantly from AED 18 Mn in 2Q25 to AED 28 Mn in 2Q26, while revenue from the Bus segment grew 2.3% YOY to AED 32 Mn in 2Q26. DTC's taxi fleet size expanded from 6,210 taxis in 2Q25 to 6,522 taxis in 2Q26. Similarly, the Delivery bike fleet increased significantly from 2,164 bikes in 2Q25 to 3,615 bikes in 2Q26. Direct costs decreased 9.2% YOY to AED 345 Mn in 2Q26, mainly due to lower staff costs, charges & commissions, vehicle maintenance expenses, staff bonus, and other operating costs, partially offset by higher fuel expense, D&A expenses, insurance, VAT and rent expenses. Plate and license fee increased marginally by 0.4% YOY to AED 92 Mn in 2Q26. Thus, the Company's gross profit decreased significantly from AED 153 Mn in 2Q25 to AED 47 Mn in 2Q26, with the gross margin contracting from 24.5% in 2Q25 to 9.7% in 2Q26, primarily due to lower margins across the taxi, limousine, and bus segments, partially offset by a marginal improvement in the delivery Bike segment. G&A expenses declined 10.5% YOY to AED 30 Mn in 2Q26. Other income rose from AED 4 Mn in 2Q25 to AED 7 Mn in 2Q26. The Company recorded impairment losses of AED 1 Mn in 2Q26, compared with an impairment reversal of AED 5 Mn in 2Q25. EBITDA decreased from AED 181 Mn in 2Q25 to AED 77 Mn in 2Q26, with the EBITDA margin declining from 28.9% in 2Q25 to 15.9% in 2Q26. Operating profit decreased from AED 128 Mn in 2Q25 to AED 23 Mn in 2Q26, and the operating profit margin declined from 20.6% in 2Q25 to 4.7% in 2Q26. Furthermore, the Company's finance income decreased 7.7% YOY to AED 3 Mn in 2Q26, while the finance costs declined 11.3% YOY to AED 14 Mn in 2Q26. Income tax expenses decreased from AED 10 Mn in 2Q25 to AED 1 Mn in 2Q26 in line with decline in profit before tax.

Balance Sheet Highlights

DTC's cash and cash equivalents, including short-term national bonds, decreased to AED 409 Mn in 2Q26 from AED 439 Mn in 1Q26. The Company's debt remained unchanged at AED 999 Mn in 2Q26. The reported net debt to LTM EBITDA ratio increased to 1.1x in 2Q26 from 0.9x in 1Q26. Net capex increased from AED 50 Mn in 2Q25 to AED 65 Mn in 2Q26.

Target Price and Rating

We maintain our BUY rating on Dubai Taxi Company. with a target price of AED 3.00. Dubai Taxi Company continues to strengthen its leadership position in the UAE mobility sector through fleet expansion, strategic acquisitions, and digital transformation initiatives. During 2Q26, the Company reported weaker profitability, primarily driven by lower revenue and higher fuel costs, reflecting the challenging operating environment experienced during the quarter. However, management expects mobility demand to continue recovering during the second half of 2026, supported by the return of residents after the summer period, as well as improving tourism and airport activity. It also expects fuel costs to normalize as fuel prices stabilize, while periodic RTA fare adjustments are expected to partially offset fuel cost inflation. In addition, the RTA approved AED 25.6 Mn in taxi fee reductions for the March–May 2026 period, with the financial benefit expected to be recognized in 3Q26. The Company is also implementing several cost optimization initiatives, including delaying vehicle replacements, improving maintenance efficiency, optimizing fleet utilization, and dynamically adjusting the limousine fleet based on demand to preserve cash and enhance operational efficiency. DTC continues to benefit from a diversified business model, with the Bus segment supported by long-term government contracts that provide stable recurring income, while the Delivery Bike segment continues to record strong growth driven by fleet expansion and sustained demand across the on-demand delivery market. The Company's total operational fleet expanded 4.5% QOQ to 11,928 vehicles as of June 2026, driven by growth across the taxi, bus, and delivery bike segments, partially offset by a decline in the limousine fleet. DTC further reinforced its market leadership by securing an additional 600 taxi license plates through the latest RTA auction, supporting fleet growth. Management indicated that taxi and limousine demand improved progressively, with the YOY decline in trips narrowing to 11% in June from 37% in April, reflecting early signs of demand normalization. The Company continues to accelerate its digital mobility strategy through its partnership with Bolt, which maintained strong operational momentum during 1H26. Bolt recorded a 40.0% YOY increase in trips to 4.3 Mn, while app downloads reached 1.7 Mn, registered cars increased to 33,000, and monthly active riders rose 77.0% YOY to c.162,000. DTC also continued expanding its regional footprint through a strategic partnership in Ajman while progressing the rollout of Apollo Go autonomous mobility services. In addition, the Company continues to work closely with the RTA on autonomous mobility initiatives, targeting c.1,000 autonomous taxis over the next three years, subject to regulatory approvals. The acquisition of National Taxi further strengthens DTC's long-term growth prospects by adding more than 2,500 vehicles to the fleet and is expected to be earnings accretive from the first full year of ownership, supported by operational synergies, with management targeting full integration over the next three years. Management reiterated that it has not changed its dividend policy and deferred the interim dividend decision for the 1H26, with shareholder distributions to be assessed at the end of 2026, while remaining committed to distributing up to 85.0% of annual net profit, subject to Board approval. Thus, considering the above-mentioned factors, we assign a BUY rating on the stock.

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DTC- Relative valuation

(at CMP)	2023	2024	2025	2026F
P/E	15.35	16.00	14.88	27.56
P/B	17.22	12.91	11.16	10.09
EV/EBITDA	12.18	10.20	9.15	11.21
BVPS	0.123	0.164	0.190	0.210
EPS	0.138	0.133	0.143	0.077
DPS	0.028	0.113	0.121	0.065
Dividend yield	1.3%	5.4%	5.7%	3.1%

FABS Estimates & Co Data, Dubai Taxi Company was listed on DFM in Dec 2023. Thus, the financial multiple for the prior period is unavailable

DTC– P&L

AED Mn	2Q25	1Q26	2Q26	2Q26F	Var	YOY Ch	QOQ Ch	2025	2026F	Change
Revenue	625	551	485	529	-8.4%	-22.5%	-12.1%	2,474	2,547	3.0%
Direct cost	-380	-359	-345	-344	0.4%	-9.2%	-3.9%	-1,538	-1,730	12.5%
Plate & license fee	-92	-92	-92	-92	0.2%	0.4%	0.0%	-367	-387	5.4%
Gross profit	**153**	**100**	**47**	**93**	**-49.3%**	**-69.2%**	**-52.6%**	**569**	**430**	**-24.4%**
Other Income	4	2	7	4	96.2%	93.4%	NM	16	18	9.8%
G&A Expenses	-34	-33	-30	-32	-4.7%	-10.5%	-9.4%	-139	-150	7.9%
Impairments	5	-1	-1	-2	-25.7%	NM	7.0%	-3	-8	NM
Operating profit	**128**	**67**	**23**	**63**	**-63.8%**	**-82.2%**	**-65.6%**	**443**	**290**	**-34.5%**
EBITDA	**181**	**121**	**77**	**119**	**-35.2%**	**-57.2%**	**-36.0%**	**652**	**534**	**-18.2%**
Finance Income	3	4	3	3	16.6%	-7.7%	-17.9%	13	11	-15.9%
Finance Cost	-16	-14	-14	-16	-11.3%	-11.3%	0.2%	-64	-90	39.1%
Staff Bonus	0	0	0	0	NM	NM	NM	0	0	NM
Profit Before Tax	**116**	**56**	**12**	**50**	**-76.4%**	**-89.8%**	**-79.0%**	**391**	**211**	**-46.0%**
Tax	-10	-5	-1	-4	-69.5%	-86.9%	-74.5%	-35	-19	-46.1%
Net Profit	**105**	**51**	**10**	**45**	**-77.0%**	**-90.1%**	**-79.5%**	**356**	**192**	**-46.0%**

FABS estimate & Co Data

DTC - Margins

	2Q25	1Q26	2Q26	YOY Ch	QOQ Ch	2025	2026F	Change
Gross Profit	24.5%	18.1%	9.7%	NM	-833	23.0%	16.9%	-611
EBITDA	28.9%	21.9%	15.9%	NM	-596	26.4%	21.0%	-541
Operating Profit	20.6%	12.1%	4.7%	NM	-734	17.9%	11.4%	-652
Net Profit	16.9%	9.2%	2.1%	NM	-705	14.4%	7.5%	-684

FABS estimate & Co Data

Key Developments:

- **18 May 2026:** Bolt, in partnership with DTC, expanded its ride-hailing services into Abu Dhabi, initially offering limousine services followed by taxi services. The expansion builds on strong growth in DTC's e-hailing business and supports its strategy to enhance smart mobility solutions across the UAE.
- **13 May 2026:** DTC signed an agreement to acquire 100% of National Taxi for an enterprise value of AED 1.45 Bn, expanding its Dubai market share to c. 59% and establishing a 12% market share in Abu Dhabi. The acquisition, expected to complete in Q3 2026, will create a multi-emirate mobility platform with a combined fleet of over 14,000 vehicles.
- **23 April 2026:** DTC acquired 600 new taxi plates through the latest RTA auction, expanding its taxi fleet to 6,817 vehicles and increasing its Dubai market share to 47%. The new vehicles will be introduced in phases from July 2026 to support growing demand for mobility services.
- **19 February 2026:** DTC, together with Bolt, partnered with National Taxi to integrate 1,823 National Taxi vehicles onto the Bolt platform. The partnership expands fleet capacity, improves ride availability and operational efficiency, and supports Dubai's transition toward app-based mobility.
- **01 April 2026:** DTC in partnership with Baidu's Apollo Go, launched fully driverless commercial ride-hailing services in Dubai via the Apollo Go app, marking the platform's first international deployment. The rollout will begin with 50 autonomous vehicles in 2026 and is planned to expand to over 1,000 vehicles in the coming years, supporting Dubai's self-driving transport strategy.
- **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.

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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	3.26	70.0%	2.28
DDM Method	2.50	15.0%	0.38
EV/EBITDA	2.26	15.0%	0.34
Weighted Average Valuation (AED)			**3.00**
Current market price (AED)			2.11
Upside/Downside (%)			+42.2%

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 8.5%. It is arrived after using the cost of equity of 9.3% and after-tax cost of debt of 4.1%. Cost of equity is calculated by using a 10-year government bond yield of 5.3%, a beta of 0.90 and an equity risk premium of 4.4%. 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)	1,799
Terminal value (AED, Mn)	6,943
FV to Common shareholders (AED, Mn)	**8,743**
No. of share (Mn)	2,500
Current Market Price (AED)	2.11
Fair Value per share (AED)	**3.26**

DCF Method

(All Figures in AED, Mn)	FY 2026E	FY 2027E	FY 2028E	FY2029E	FY 2030E
NOPAT	264	466	532	601	678
Depreciation & Amortization	244	285	300	321	341
Capex	-253	-356	-384	-392	-391
Change in Working Capital	45	78	13	12	12
Free Cash Flow to Firm (FCFF)	**299**	**474**	**461**	**541**	**641**
Discounting Factor	*0.97*	*0.89*	*0.82*	*0.76*	*0.70*
Discounted FCFF	**144**[1]	**421**	**378**	**409**	**446**

Source: FAB Securities, [1]Adjusted for partial year

2) Relative Valuation:

We have used local as well as international peers to value Dubai Taxi Corporation P.J.S.C., and it is valued using the 2027 EV/EBITDA multiple of 9.7x 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	11,006	21.2	19.1	27.1	23.8
Empower	4,410	11.1	10.4	15.2	13.9
Dewa	36,618	9.5	8.9	16.1	15.4
ADNOC Drilling	25,469	11.9	11.0	17.1	15.4
ADNOC Distribution	13,541	11.5	11.4	14.9	15.1
Budget	807	4.9	4.3	11.2	8.4
Theeb	397	4.8	4.2	10.0	7.8
Lumi	433	4.4	4.1	10.0	8.4
Average		**9.9x**	**9.2x**	**15.2x**	**13.5x**
Median		**10.3x**	**9.7x**	**15.1x**	**14.5x**
Max		**11.6x**	**11.1x**	**16.4x**	**15.4x**
Min		**4.9x**	**4.3x**	**10.9x**	**8.4x**

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)	1,421
Terminal value (AED, Mn)	4,832
FV to Common shareholders (AED, Mn)	**6,253**
No. of share (Mn)	2,500
Current Market Price (AED)	2.11
Fair Value per share (AED)	**2.50**

(All Figures in AED Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Dividend Paid					
H1	0	161	191	222	256
H2	163	161	191	222	256
Total Dividend	**163**	**322**	**383**	**444**	**513**
Discounting Factor	*0.96*	*0.88*	*0.81*	*0.74*	*0.67*
Present Value of Dividend	**157**	**283**	**308**	**327**	**345**

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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