First Look Note | 3Q26

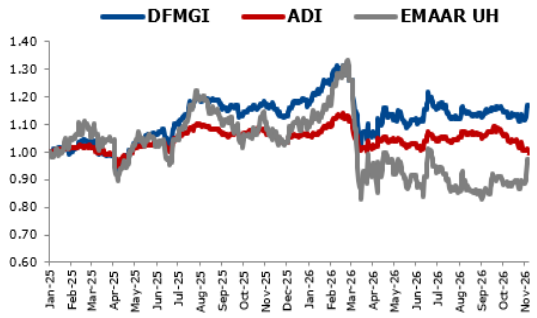
UAE Equity Research | Sector: Real Estate | Market: DFM

Emaar Properties

Strong earnings growth supported by development execution and operating leverage

Current Price	Target Price	Upside/Downside (%)	Rating
AED 12.84	-	-	Suspended

- The Company launched 14 new projects during 9M26, with UAE sales reaching AED 26.2 Bn.
- Revenue backlog stood at AED 158.8 Bn as of September 2026, comprising AED 127.2 Bn from UAE operations and AED 31.6 Bn from international markets, providing revenue visibility over the next four to five years.
- The international pipeline includes 15,549 units under development and a further 18,566 units planned for development.
- The Board approved a voluntary cash offer of AED 15 per share for the remaining 19.84% stake in Emaar Development.
- The Board also approved a special dividend of AED 0.50 per share, amounting to c. AED 4.4 Bn, in addition to the existing dividend policy.



Stock Information	
Market Cap (AED, Mn)	113,843.61
Paid Up Capital (Mn)	8,838.79
52 Week High	17.25
52 Week Low	10.15
3M Avg. daily value (AED)	251,277,200

3Q26 Result Review (AED, Mn)	
Total Assets	197,670
Total Liabilities	84,074
Total Equity	113,596
EBITDA	6,878
Net Profit	4,618

Financial Ratios	
Dividend Yield (12m)	7.76
Dividend Pay-out (%)	50.22
Price-Earnings Ratio(x)	5.85
Price-to-Book Ratio (x)	1.16
Book Value (AED)	11.12
Return-on Equity (%)	20.88

Stock Performance	
5 Days	2.88%
1 Months	13.98%
3 Months	15.21%
6 Months	8.78%
1 Year	-6.67%
Month to Date (MTD%)	13.18%
Quarter to Date (QTD%)	11.23%
Year to Date (YTD%)	-8.33%

3Q26 Net Profit higher than our estimate

Emaar Properties PJSC (Emaar/the Company) reported a 5.6% YOY increase in net profit to AED 4,618 Mn in 3Q26, higher than our estimate of AED 4,058 Mn. The growth in net profit is driven by higher revenue, other operating income, finance income and other income coupled with increase in share of associates and lower contribution to non-controlling interest and lower finance costs partially offset by higher cost of revenue, other operating expenses, G&A expenses, higher depreciation and income tax.

P&L Highlights

Emaar Properties revenue grew 2.7% YOY to AED 13,632 Mn in 3Q26, supported by strong growth in Residential Unit sales and higher Commercial Unit sales. Revenue from Residential Units rose 2.9% YOY to AED 11,023 Mn in 3Q26, while Commercial Unit revenue increased 13.5% YOY to AED 347 Mn in 3Q26. The Hospitality segment reported a 9.6% YOY decrease in revenue to AED 465 Mn in 3Q26. Additionally, average hotel occupancy across Emaar's UAE properties stood at 63% in 9M26. Revenue from Leased Properties, Retail, and Related Income increased 3.3% YOY to AED 1,797 Mn in 3Q26. Emaar's cost of revenue increased 1.4% YOY to AED 6,392 Mn in 3Q26. As a result, gross profit increased 3.9% YOY to AED 7,240 Mn, with gross profit margin increasing 59 bps YOY to 53.1% in 3Q26. Other operating income increased 12.1% YOY to AED 220 Mn in 3Q26, while other operating expenses increased 25.4% YOY to AED 101 Mn in 3Q26. Selling, G&A expenses increased 13.8% YOY to AED 1,043 Mn in 3Q26, mainly due to higher marketing expenses, provision for debts & advances and donations. Emaar's EBITDA grew 9.5% YOY to AED 6,878 Mn, while EBITDA margin increased 312 bps YOY to 50.5% in 3Q26.

The Company's EBIT increased 2.3% YOY to AED 5,930 Mn in 3Q26. Depreciation of PPE increased marginally 0.4% YOY to AED 168 Mn, while depreciation of investment properties increased 7.2% YOY to AED 218 Mn in 3Q26. Meanwhile, finance income increased 14.1% YOY to AED 776 Mn, while finance costs declined 3.7% YOY to AED 220 Mn in 3Q26. The Company reported other income of AED 208 Mn in 3Q26, compared to other income of AED 8 Mn in 3Q25. Furthermore, share of profit from associates increased to AED 297 Mn in 3Q26 from AED 62 Mn in 3Q25. Income tax expense increased from AED 554 Mn in 3Q25 to AED 1,031 Mn in 3Q26. Additionally, profit attributable to non-controlling interests declined 3.7% YOY to AED 1,343 Mn in 3Q26.

Balance Sheet Highlights

The Company's cash and bank balance decreased marginally from AED 51.4 Bn in 2Q26 to AED 51.2 Bn in 3Q26. Total liabilities remained stable at AED 84.1 Bn in 2Q26 and 3Q26. Additionally, the Company generated AED 17.6 Bn in cash flow from operations in 9M26, compared to AED 24.0 Bn in 9M25. Debt declined to AED 7.6 Bn in 3Q26 from AED 9.4 Bn in 2Q26, primarily reflecting the maturity and repayment of sukuk.

Target Price and Rating

We suspend our rating on Emaar Properties. The company recorded property sales of AED 34.7 Bn in 9M26, down 43% YOY, primarily reflecting the phasing of project launches and a strong comparative base. However, sales momentum improved sequentially, with 3Q26 sales reaching AED 8.2 Bn, up 95% QOQ. The Company launched 14 new projects during 9M26, with UAE sales reaching AED 26.2 Bn. Revenue backlog stood at AED 158.8 Bn as of September 2026, comprising AED 127.2 Bn from UAE operations and AED 31.6 Bn from international markets, providing revenue visibility over the next four to five years. Emaar had c. 66,600 units under development across six countries, with 92% of launched units sold, while customer defaults remained below 1% of sales value, highlighting healthy demand and collection discipline. Emaar Development generated revenue of AED 28.3 Bn in 9M26, with apartments contributing 60.1%, villas and townhouses 39.3%, and plots and commercial properties accounting for the remaining 0.6%. The Company continues to strengthen its development pipeline, supported by the announcement of an AED 200 Bn master plan and sustained project launches. International development operations recorded property sales of AED 8.5 Bn in 9M26, alongside 2,368 units handovers and 3,773 units sold. The international pipeline includes 15,549 units under development and a further 18,566 units planned for development, supporting medium-term growth and geographic diversification. Emaar's development platform is underpinned by a substantial land bank of c. 315 Mn sq. ft. in the UAE and 289 Mn sq. ft. across five international markets, providing capacity for sustained project launches. The Company's recurring income portfolio also provides earnings diversification, comprising over 13 Mn sq. ft. of retail GLA, with more than 215 Mn visitors, 42 hotels with 10,187 keys and over 12 leisure destinations. Emaar Malls maintained occupancy of c. 98%, supported by strong leasing demand and a diversified tenant base. The hospitality portfolio continues to benefit from the recovery in tourism and sustained demand for Dubai's leisure and business destinations. In September 2026, Emaar further expanded its hospitality presence with the opening of Vida Aljada, marking the brand's debut in Sharjah with 175 rooms and suites. The Company continues to invest in expanding its recurring income base, with Emaar reiterating its target of doubling recurring income over the next five years, supported by retail expansion and the development of its residential leasing business. Key projects include the AED 1.5 Bn expansion of Dubai Mall, which is expected to add over 440,000 sq. ft. of GLA and more than 240 luxury retail and F&B outlets, with completion targeted for 2H28. Dubai Square at Dubai Creek Harbour is being developed as a next-generation retail and lifestyle destination, while Dubai Expo Mall will further expand the Company's retail footprint. Additionally, Emaar is evaluating further commercial office developments across Dubai Hills, Dubai Creek Harbour and Dubai Estate, supported by healthy leasing demand. These investments are expected to enhance the contribution of recurring income and improve earnings visibility over the medium term. On capital allocation, the Board approved a voluntary cash offer of AED 15 per share for the remaining 19.84% stake in Emaar Development, with the offer open until 10 December 2026. The proposed acquisition is aimed at consolidating Emaar's UAE development operations under a unified capital allocation framework and enhancing integration between its development and recurring income businesses. Upon completion, the transaction would increase Emaar Properties ownership in Emaar Development to 100%, allowing the Company's shareholders to capture the full earnings attributable to the subsidiary, although the

cash consideration would reduce available liquidity. The Board also approved a special dividend of AED 0.50 per share, amounting to c. AED 4.4 Bn, in addition to the existing dividend policy. The Company reiterated minimum dividend guidance of AED 1.0 per share over the coming years, with scope for higher distributions depending on cash generation and Board approval.

Emaar Properties - Relative valuation

(at CMP)	2021	2022	2023	2024	2025	2026F
PE	27.85	16.74	9.84	8.46	6.50	6.17
PB	1.72	1.66	1.47	1.34	1.21	1.10
EV/EBITDA	15.55	13.91	7.55	6.52	4.96	4.58
BVPS	7.545	7.806	8.794	9.665	10.666	11.764
EPS	0.465	0.773	1.316	1.529	1.991	2.099
DPS	0.15	0.25	0.50	1.00	1.00	1.00
Dividend yield	1.2%	1.9%	3.9%	7.8%	7.8%	7.8%

FABS Estimates & Co Data

Emaar Properties -P&L

AED Mn	3Q25	2Q26	3Q26	3Q26F	Var	YOY Ch	QOQ Ch	2025	2026F	Change
Revenue	13,273	11,510	13,632	12,057	13.1%	2.7%	18.4%	49,557	52,812	6.6%
Cost of revenue	-6,302	-5,084	-6,392	-5,400	18.4%	1.4%	25.7%	-22,330	-24,010	7.5%
Gross profit	**6,971**	**6,426**	**7,240**	**6,657**	**8.8%**	**3.9%**	**12.7%**	**27,227**	**28,802**	**5.8%**
Other operating income	196	173	220	169	30.1%	12.1%	26.7%	696	739	6.3%
Other operating expenses	-80	-66	-101	-78	28.4%	25.4%	52.2%	-246	-280	13.8%
Selling, G&A expenses	-916	-1,036	-1,043	-1,206	-13.5%	13.8%	0.7%	-3,595	-3,855	7.2%
EBITDA	**6,282**	**5,631**	**6,878**	**5,542**	**24.1%**	**9.5%**	**22.1%**	**25,741**	**27,681**	**7.5%**
EBIT	**5,799**	**4,962**	**5,930**	**5,085**	**16.6%**	**2.3%**	**19.5%**	**22,552**	**23,618**	**4.7%**
Depreciation of PPE	-168	-181	-168	-237	-29.0%	0.4%	-6.8%	-686	-773	12.7%
Depreciation of IP	-203	-220	-218	-220	-0.9%	7.2%	-0.8%	-844	-879	4.2%
Finance income	680	743	776	723	7.3%	14.1%	4.5%	2,813	3,037	8.0%
Finance cost	-229	-247	-220	-258	-14.7%	-3.7%	-10.9%	-1,028	-981	-4.6%
Other income	8	-195	208	181	14.9%	NM	NM	519	660	27.1%
Share of associates	62	289	297	312	-4.8%	NM	2.9%	801	1,482	NM
Provisions & Impairments	0	-135	0	0	NM	NM	NM	0	-135	NM
Profit before tax	**6,322**	**5,552**	**6,992**	**6,043**	**15.7%**	**10.6%**	**25.9%**	**25,656**	**27,816**	**8.4%**
Income tax	-554	-815	-1,031	-906	13.8%	86.2%	26.5%	-3,331	-4,033	21.1%
Profit for the period	**5,768**	**4,737**	**5,960**	**5,137**	**16.0%**	**3.3%**	**25.8%**	**22,326**	**23,783**	**6.5%**
Non-controlling interests	-1,395	-1,064	-1,343	-1,079	24.5%	-3.7%	26.2%	-4,726	-5,232	10.7%
Net Profit	**4,373**	**3,673**	**4,618**	**4,058**	**13.8%**	**5.6%**	**25.7%**	**17,599**	**18,551**	**5.4%**

FABS estimate & Co Data

Emaar Properties - Margins

	3Q25	2Q26	3Q26	YOY Ch	QOQ Ch	2025	2026F	Change
Gross Profit	52.5%	55.8%	53.1%	59	-272	54.9%	54.5%	-40
EBITDA	47.3%	48.9%	50.5%	312	153	51.9%	52.4%	50
Operating Profit	43.7%	43.1%	43.5%	-19	39	45.5%	44.7%	-78
Net profit	32.9%	31.9%	33.9%	93	196	35.5%	35.1%	-39

FABS estimate & Co Data

Key Developments:

- **11 May 2026:** Dubai Holding became Emaar Properties' largest shareholder after acquiring a 22.27% stake from Investment Corporation of Dubai, raising its total ownership to 29.73%.
- **11 June 2026:** Emaar announced an AED 200 Bn masterplan in Dubai, featuring over 4.5 Mn sq. m. of built-up area and designed to accommodate nearly 150,000 residents across residential, commercial, retail, hospitality and cultural developments.
- **4 November 2026:** Emaar Properties' Board approved a voluntary cash offer of AED 15 per share to acquire the remaining shares in Emaar Development not already held by the Company and its wholly owned subsidiary, EPHL.

Emaar Properties – Project Launches

Project Name	Units	Project Value (AED Mn)	Launch Period
Palmiera Collective	38	653	Jan-26
Serro	383	2,856	Jan-26
Serro II	397	3,139	Jan-26
Salva	483	3,970	Jan-26
Valia	491	1,370	Aug-26
Alva	196	961	Sep-26

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UAE DEVELOPMENT: LAND BANK DETAILS

Project Name	Gross Land Area (Mn sq. ft)
The Heights Country Club & Wellness	59.8
Dubai Creek	50.9
The Valley	46.9
The Oasis - EP & ED[1]	34.5
Grand Polo Club & Resort	31.0
Ras Al Khor Plot	2.4
Address Al Marjan Island[2]	0.4
Emaar Beachfront	0.1
UAE Wholly Owned	**226.0**
Expo Living	1.7
Dubai Estate[3]	33.4
Emaar South & Others	24.6
Dubai Hills	21.7
Rashid Yachts & Marina[2]	7.6
Total UAE Available Land Bank	**315.0**

FABS Estimates & Co Data

Note: *[1]Includes c. 27.8 Mn sq. ft. land under Emaar properties PJSC and c. 6.7 Mn Sq. ft. land under Emaar Development PJSC, [2]Rashid Yachts & Marina, formerly Mina Rashid and 'Address Marjan Island', formerly 'Ras Al Khaimah', [3]Dubai Estate, formerly Emaar Estate*

UAE DEVELOPMENT: EXPECTED DELIVERY SCHEDULE

Project Name	Total Delivered until 9M26	Under Development	4Q26	2027	2028	2029	2030	2031
Downtown[1]	21,746	1,132	35	-	1,097	-	-	-
Dubai Creek Harbour[2]	12,765	7,358	-	1,901	755	2,856	1,355	491
Emaar Beachfront	3,612	2,261	-	697	1,337	-	227	-
Dubai Marina	5,298	666	-	440	-	-	226	-
Arabian Ranches	4,360	-	-	-	-	-	-	-
Arabian Ranches II	1,665	-	-	-	-	-	-	-
Arabian Ranches III	3,067	1,152	1,152	-	-	-	-	-
The Valley	1,948	6,864	406	1,816	2,736	860	850	196
Emirates Living	15,245	-	-	-	-	2,502	-	-
Emaar Towers	168	-	-	-	-	-	-	-
Dubai Hills Estate	11,450	9,040	996	3,326	2,216	2,502	-	-
Umm Al Quwain	277	-	-	-	-	-	-	-
Rashid Yachts & Marina[3]	412	4,160	391	789	1,266	659	1,055	-
The Oasis - EP	-	671	-	380	253	38	-	-
Address Marjan Island	-	1,184	-	-	1,184	-	-	-
The Oasis - ED	-	1,670	-	-	-	1,013	657	-
Grand Polo Club and Resort	-	3,101	-	-	-	3,101	-	-
Business Bay	-	688	-	-	-	-	-	688
The Heights	-	1,263	-	-	-	-	1,263	-
A - Emaar Properties (Consolidated)	**82,013**	**41,210**	**2,980**	**9,349**	**10,844**	**11,029**	**5,633**	**1,375**
Emaar South	3,456	5,730	-	381	2,546	1,620	1,022	161
Zabeel Square	-	1,748	-	-	-	1,748	-	-
Expo Living	-	2,388	-	-	-	1,004	1,384	-
B - Joint Ventures	**3,456**	**9,705**	**0**	**381**	**2,546**	**4,372**	**2,406**	**0**
Total (A + B)	**85,469**	**51,076**	**2,980**	**9,730**	**13,390**	**15,401**	**8,039**	**1,536**

FABS Estimates & Co Data

Note: *[1]Downtown includes Burj Royale Project (Old Town LLC) where Group's share is 61.25%; [2]Emaar Properties PJSC has fully acquired Dubai Creek Harbour in December 2022 from JDA partner; [3]'Rashid Yachts & Marina', formerly 'Mina Rashid'.*

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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