Dubai Taxi Company (DTC)

Inorganic growth drives revenue, while profitability remains subdued

Current Price	Target Price	Upside/Downside (%)	Rating
AED 2.28	AED 3.00	+32%	BUY

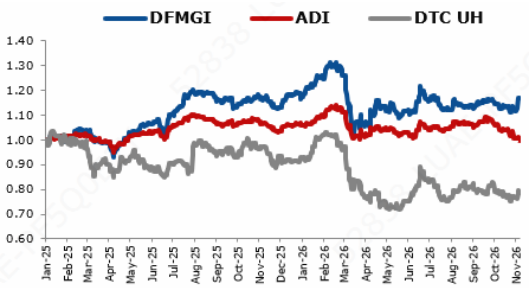
- DTC's revenue grew 25.7% YOY due to NTC consolidation, whereas the LFL revenue declined 2.8% YOY to AED 569 Mn due to softer trip volumes in the taxi and limousine segments.
- Delivery Bike segment revenue surged 75.2% YOY in 3Q26 to account for almost 5% of revenue, supported by a growing fleet and a strong contract pipeline extending into next year.
- RTA fee reduction of AED 33.5 Mn was recognised in 3Q26, while the RTA revised the fare by 6 fils to AED 2.51/km from November and will move to monthly tariff revisions from January 2027 onwards.
- Net capex reached AED 380 Mn in 3Q26, mainly due to the AED 336 Mn investment in additional taxi plates.

3Q26 Net Profit higher than our estimate

Dubai Taxi Company P.J.S.C. (DTC/ the Company) reported a decline in net profit from AED 76 Mn in 3Q25 to AED 57 Mn in 3Q26, higher than our estimate of AED 42 Mn. The decline in net profit was primarily driven by higher direct costs, G&A expenses, and finance costs, partially offset by higher revenue and other income, coupled with lower plate & license fees and taxes.

P&L Highlights

DTC's revenue surged 25.7% YOY to AED 735 Mn in 3Q26, driven by the consolidation of National Taxi (NTC) from 8 July 2026. LFL revenue declined 2.8% YOY to AED 569 Mn due to softer trip volumes in the taxi and limousine segments, partially offset by strong growth in the delivery bike segment. Revenue from the Taxi segment grew 27.2% YOY to AED 643 Mn in 3Q26, owing to NTC consolidation. The taxi segment LFL revenue fell 6.0% YOY to AED 475 Mn mainly due to softer trip volumes. NTC revenue also declined 2.2% YOY to AED 168 Mn in 3Q26 due to lower trip volume, partially mitigated by higher revenue per trip owing to tariff adjustments during the period. Revenue from the Limousine segment reduced 2.8% YOY to AED 27 Mn in 3Q26, primarily due to subdued demand. Delivery Bike revenue grew significantly from AED 18 Mn in 3Q25 to AED 32 Mn in 3Q26 due to continued fleet expansion owing to sustained demand from the delivery market. The revenue from the Bus segment remained broadly stable at AED 30 Mn in 3Q26. DTC's taxi fleet size increased from 6,215 taxis in 3Q25 to 9,344 taxis in 3Q26. This rise was fuelled by the addition of 2,685 units from the NTC fleet. On the other hand, the Delivery bike fleet rose from 2,447 bikes in 3Q25 to 4,370 bikes in 3Q26. Direct costs increased 38.7% YOY to AED 513 Mn in 3Q26, primarily due to higher fuel costs, insurance, charges & commission, staff expenses and other expenses. Plate and license fees declined 1.5% YOY to AED 91 Mn in 3Q26, including the one-time benefit of



Stock Information	
Market Cap (AED, Mn)	5,700.00
Paid Up Capital (Mn)	100.00
52 Week High	2.89
52 Week Low	1.97
3M Avg. daily value (AED)	2,610,201

3Q26 Result Review (AED, Mn)	
Total Assets	4,564
Total Liabilities	4,111
Total Equity	453
EBITDA	166
Net Profit	57

Financial Ratios	
Dividend Yield (12m)	2.49
Dividend Pay-out (%)	85.03
Price-Earnings Ratio(x)	27.25
Price-to-Book Ratio (x)	12.57
Book Value (AED)	0.18
Return-on Equity (%)	49.63

Stock Performance	
5 Days	3.64%
1 Months	5.56%
3 Months	0.44%
6 Months	12.87%
1 Year	-11.28%
Month to Date (MTD%)	6.54%
Quarter to Date (QTD%)	-0.44%
Year to Date (YTD%)	-11.28%

AED 33.5 Mn received from RTA on monthly vehicle fee. As a result, gross profit increased 6.8% YOY to AED 132 Mn in 3Q26, while gross margin declined from 21.1% in 3Q25 to 17.9% in 3Q26, driven by lower margins across all segments. G&A expenses rose significantly from AED 26 Mn in 3Q25 to AED 42 Mn in 3Q26, while other income doubled to AED 5 Mn in 3Q26. The Company recorded impairment losses of AED 1 Mn in 3Q26, compared to a loss of AED 2 Mn in 3Q25. EBITDA increased 10.0% YOY to AED 166 Mn in 3Q26, with the EBITDA margin contracting from 25.9% in 3Q25 to 22.6% in 3Q26, primarily due to softer demand, higher fuel prices and the impact of NTC consolidation. Operating profit fell 4.0% YOY to AED 94 Mn in 3Q26, with an operating profit margin of 12.8% in 3Q26, down from 16.7% in 3Q25. Furthermore, the Company's finance income increased from AED 3 Mn in 3Q25 to AED 4 Mn in 3Q26, while the finance costs more than doubled from AED 17 Mn in 3Q25 to AED 35 Mn in 3Q26 due to increase in debt. The income tax expenses declined from AED 8 Mn in 3Q25 to AED 6 Mn in 3Q26.

Balance Sheet Highlights

DTC's balance sheet remained healthy, with cash and cash equivalents (including short-term national bonds) of AED 426 Mn. Net debt rose to AED 2.0 Bn in 3Q26 and a reported net debt-to-EBITDA ratio of 3.8x as of September 2026, related to borrowings to fund the acquisition of NTC. Net capex reached AED 380 Mn in 3Q26, mainly due to the AED 336 Mn investment in additional taxi plates. Excluding plate fees, net capex was AED 45 Mn.

Target Price and Rating

We maintain our BUY rating on Dubai Taxi Company PJSC. with a target price of AED 3.00. Upon completion of the acquisition of NTC on 8 July 2026, DTC became the UAE's largest taxi platform with 59% combined taxi market share in Dubai and an established presence in Abu Dhabi. In 3Q26, Revenue rose 25.7% YOY, while net profit declined 25.3% YOY owing to higher depreciation and finance costs following the NTC acquisition despite higher EBITDA. Net debt reached AED 2.0 Bn to fund the acquisition. As a result, the net debt to EBITDA ratio increased to 3.8x in Sep-2026, compared to 1.5x in Sep-2025. This ratio is expected to improve as EBITDA is projected to normalise next year. The company also expects EBITDA to improve in 4Q26 as well, compared to the last three quarters, with a margin above 20%. DTC total number of trips declined from 13.1 Mn in 3Q25 to 12.4 Mn in 3Q26. However, mobility demand continued to recover during the quarter, with the YOY decline in volume gap narrowing to 2% in Sep-2026, indicating a gradual normalisation in demand, with October trips already at pre-conflict levels. Moreover, the total fleet grew 16.7% YOY to 15,388 vehicles in 9M26, of which 9,344 are taxis. The limousine fleet is reduced to 486 vehicles (down from 655 in 9M25), as it is considered sufficient to service exclusive locations at a profitable rate. DTC continues to benefit from a diversified business model, with the Bus segment supported by a resilient contract base, while the Delivery Bike segment revenue surged 75.2% YOY in 3Q26 to account for almost 5% of revenue, supported by a growing fleet of 4,370 bikes and a strong contract pipeline extending into next year. In addition, it received a one-time benefit of AED 33.5 Mn on the monthly vehicle fee from RTA, while the RTA also raised the city fare by 6 fils to AED 2.51/km from November and will move to monthly tariff revisions from January 2027 onwards, helping align fares with fuel costs. The Company continues to accelerate its digital mobility strategy through Bolt, which completed 6.6 Mn trips in 9M26, with monthly active riders up by 73% YOY to c.164K and 1,607 Arabia Taxi vehicles added to the network. Bolt's Abu Dhabi operations reached nearly 3,500 trips per week by the end of 3Q26, and management expects the business (Bolt) to turn profitable next year as cash burn remains well below its 2% cap on the top line. DTC also renewed its strategic partnership with Hala for the next five years, while progressing the rollout of Apollo Go autonomous vehicles targeting 1,000 plus vehicles over time. On the other hand, the NTC integration is 30% complete as of 3Q26, running ahead of schedule, with AED 4 Mn of synergies realised in 3Q26 and monthly savings rising from AED 0.1 Mn in July to AED 2 Mn in September. It is expected to reach a synergy target of at least 5% of NTC's top line or AED 35-40 Mn over the long term. DTC repaid NTC's loans, making the company debt-free. Further synergies are expected from aligning driver commissions and from procurement, such as ENOC fuel discounts. The partial effect of these savings is expected in 2027, and the full-year effect is projected from 2028. The company's strategic acquisition in NTC, continued fleet expansion, and effective cost management reinforce its competitive positioning and underpin its long-term growth prospects. Thus, considering the above-mentioned factors, we maintain our BUY rating on the stock.

DTC- Relative valuation

(at CMP)	2023	2024	2025	2026F
P/E	17.01	17.73	16.49	29.60
P/B	19.09	14.31	12.37	11.06
EV/EBITDA	13.35	11.18	10.03	14.25
BVPS	0.123	0.164	0.190	0.213
EPS	0.138	0.133	0.143	0.079
DPS	0.028	0.113	0.121	0.065
Dividend yield	1.2%	5.0%	5.3%	2.9%

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	3Q25	2Q26	3Q26	3Q26F	Var.	YOY Ch	QOQ Ch	2025	2026F	Change
Revenue	585	485	735	693	6.1%	25.7%	51.8%	2,474	2,611	5.5%
Operating cost	-370	-345	-513	-465	10.4%	38.7%	48.7%	-1,538	-1,758	14.3%
Plate & license fee	-92	-92	-91	-125	-27.4%	-1.5%	-1.5%	-367	-406	10.5%
Gross profit	**123**	**47**	**132**	**104**	**27.0%**	**6.8%**	**NM**	**569**	**447**	**-21.4%**
Other Income	2	7	5	5	9.3%	NM	-32.2%	16	18	12.4%
G&A Expenses	-26	-30	-42	-31	33.6%	60.1%	37.9%	-139	-157	12.4%
Impairments	-2	-1	-1	-3	-65.7%	NM	NM	-3	-8	NM
Operating profit	**98**	**23**	**94**	**74**	**26.3%**	**-4.0%**	**NM**	**443**	**301**	**-32.1%**
EBITDA	**151**	**77**	**166**	**142**	**17.2%**	**10.0%**	**NM**	**652**	**553**	**-15.2%**
Finance Income	3	3	4	3	54.5%	48.6%	32.5%	13	14	10.6%
Finance Cost	-17	-14	-35	-31	14.8%	NM	NM	-64	-97	50.4%
Staff Bonus	0	0	0	0	NM	NM	NM	0	0	NM
Profit Before Tax	**84**	**12**	**63**	**47**	**35.5%**	**-25.1%**	**NM**	**391**	**218**	**-44.3%**
Tax	-8	-1	-6	-4	42.3%	-23.4%	NM	-35	-20	-44.4%
Net Profit for the period	**76**	**10**	**57**	**42**	**34.9%**	**-25.3%**	**NM**	**356**	**198**	**-44.3%**

FABS estimate & Co Data

DTC - Margins

	3Q25	2Q26	3Q26	YOY Ch	QOQ Ch	2025	2026F	Change
Gross Profit	21.1%	9.7%	17.9%	-316	NM	23.0%	17.1%	-587
EBITDA	25.9%	15.9%	22.6%	-323	669	26.4%	21.2%	-518
Operating Profit	16.7%	4.7%	12.8%	-395	NM	17.9%	11.5%	-638
Net Profit	13.1%	2.1%	7.8%	-529	562	14.4%	7.6%	-679

FABS estimate & Co Data

Key Developments:

- **19 Aug 2026:** DTC, in partnership with Bolt, integrated Arabia Taxi's fleet of 1,607 vehicles onto the Bolt platform, expanding ride-hailing capacity, improving fleet utilisation and vehicle availability, and reducing customer waiting times across Dubai
- **8 Jul 2026:** Dubai Taxi Company (DTC) completed the 100% acquisition of National Taxi for AED 1.5 Bn, strengthening its market position with approximately 59% share in Dubai and 12% in Abu Dhabi, and a combined fleet exceeding 9,500 vehicles
- **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.

Valuation:

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

Valuation Method	Valuation	Weight	Weighted Value
DCF Method	3.34	70.0%	2.34
DDM Method	2.67	15.0%	0.40
EV/EBITDA	1.77	15.0%	0.26
Weighted Average Valuation (AED)			**3.00**
Current market price (AED)			2.28
Upside/Downside (%)			+32%

1) DCF Method:

Dubai Taxi Company PJSC. is valued using free cash flow to the firm. We have discounted the cash flow using the weighted average cost of capital of 8.1%. It is arrived after using the cost of equity of 9.6% and after-tax cost of debt of 4.4%. Cost of equity is calculated by using a 10-year government bond yield of 5.6%, a beta of 0.90 and an equity risk premium of 4.5%. 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)	2,290
Terminal value (AED, Mn)	8,042
FV to Common shareholders (AED, Mn)	**8,350**
No. of share (Mn)	2,500
Current Market Price (AED)	2.28
Fair Value per share (AED)	**3.34**

DCF Method

(All Figures in AED, Mn)	FY 2026E	FY 2027E	FY 2028E	FY2029E	FY 2030E	FY 2031E
NOPAT	274	495	572	651	716	779
Depreciation & Amortization	252	270	288	300	307	311
Capex	-555	-346	-394	-403	-402	-401
Change in Working Capital	-128	87	103	13	20	20
Free Cash Flow to Firm (FCFF)	**-157**	**506**	**568**	**561**	**641**	**710**
Discounting Factor	*0.99*	*0.92*	*0.85*	*0.78*	*0.73*	*0.67*
Discounted FCFF	**-39**[1]	**464**	**481**	**440**	**465**	**477**

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 9.6x in line with peers.

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2026F	2027F	2026F	2027F
Regional Infrastructure and Taxi Cos					
Salik	11,414	22.0	19.8	28.0	24.4
Empower	4,302	10.8	9.9	14.6	13.6
Dewa	36,890	9.9	9.3	16.2	15.2
ADNOC Drilling	25,352	12.5	11.9	17.8	17.1
ADNOC Distribution	13,306	10.4	10.7	13.4	14.7
Budget	828	2.6	2.4	10.8	8.6
Theeb	336	4.8	4.2	10.7	7.8
Lumi	323	3.9	3.8	10.8	8.6
Average		**9.6x**	**9.0x**	**15.3x**	**13.7x**
Median		**10.1x**	**9.6x**	**14.0x**	**14.1x**
Max		**11.2x**	**11.0x**	**16.6x**	**15.7x**
Min		**4.6x**	**4.1x**	**10.8x**	**8.6x**

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 9.6%.

Sum of PV (AED, Mn)	1,866
Terminal value (AED, Mn)	4,811
FV to Common shareholders (AED, Mn)	**6,677**
No. of share (Mn)	2,500
Current Market Price (AED)	2.28
Fair Value per share (AED)	**2.67**

(All Figures in AED Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E
Dividend Paid						
H1	0	168	201	235	262	290
H2	163	168	201	235	262	290
Total Dividend	**163**	**336**	**402**	**469**	**524**	**579**
Discounting Factor	*0.99*	*0.90*	*0.82*	*0.75*	*0.68*	*0.63*
Present Value of Dividend	**161**	**303**	**330**	**352**	**359**	**362**

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%

FAB Securities Contacts:

Research Analyst

Ahmad Banihani	+971-2-6161629	Ahmad.Banihani@Bankfab.com
Shahrukh Nawaz	+971-2-6161612	Shahrukh.Nawaz@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	

DISCLAIMER

This report has been prepared by FAB Securities (FABS), which is authorised by the UAE Securities and Commodities Authority, licensing registration number 604002, and is a member of the Abu Dhabi Securities Exchange and Dubai Financial Market. The information, opinions and materials contained in this report are provided for information purposes only and are not to be used, construed, or considered as an offer or the solicitation of an offer or recommendation to sell or to buy or to subscribe for any investment security or other financial instrument. The information, opinions and material in this report have been obtained and derived from publicly available information and other sources considered reliable without being independently verified for their accuracy or completeness. FABS gives no representation or warranty, express or implied, as to the accuracy and completeness of information and opinions expressed in this report. Opinions expressed are current as of the original publication date appearing on the report only and the information, including the opinions contained herein, are subject to change without notice. FABS is under no obligation to update this report. The investments referred to in this report might not be suitable for all recipients. Recipients should not base their investment decisions on this report and should make their own investigations, and obtain independent advice, as appropriate. Any loss or other consequences arising from the uses of material contained in this report shall be the sole and exclusive responsibility of the recipient and FABS accepts no liability for any such loss or consequence. The value of any investment could fall as well as rise and the investor may receive less than the original amount invested. Some investments mentioned in this report might not be liquid investments, which could be difficult to realise in cash. Some investments discussed in this report could be characterised by high level of volatility, which might result in loss. FABS owns the intellectual property rights and any other material contained in this report. No part of this report may be reproduced, utilised or modified in any form either in whole or in part or by any electronic, mechanical or other means, now known or hereafter invented, including photocopying and recording, or stored in any retrieval system without the prior consent of FABS in writing. While utmost care has been taken to ensure that the information provided is accurate and correct, neither FABS, nor its employees shall, in any way, be responsible for the contents. By accepting this document, the recipient agrees he/she has read the above disclaimer and to be bound by the foregoing limitations/restrictions.