



Light Vehicle



Heavy Vehicle



Heavy Bus



Light Machinery



Heavy Machinery



Motorcycle

## Key Investment Highlights:

We initiate coverage on **Emirates Driving Company PJSC** ("EDC", "Drive" or "The Company") with a **Valuation of AED 4.10 per share**. EDC is a leading provider of driver training services in Abu Dhabi, offering comprehensive education programs aligned with local traffic laws. The Company was established in 2000 and listed on ADX in 2005. EDC operates from three main branches alongside four satellite sites in Abu Dhabi and a subsidiary presence in Dubai by 2024.

**Our investment view** is supported by:

- *Primary Driving Educator in Abu Dhabi, Fueling Growth through Efficiency*
- *Population Growth and Supportive UAE Policies Driving Demand for EDC Services*
- *EDC Expanding through Organic Growth and Strategic Acquisitions*
- *EDC Boosting Financial Performance with Rising Revenue and Profits*

### Primary Driving Educator in Abu Dhabi, Fueling Growth through Efficiency

EDC is the leading authorised provider of pre-licensing driver education in Abu Dhabi, holding a market leadership position supported by high regulatory and infrastructure barriers. Since its inception, it has partnered with SweRoad to implement best practices for global road safety and driver training. EDC plays a pivotal role in the licensing process for citizens, residents, and GCC nationals, maintaining strong regulatory ties through collaboration with Abu Dhabi Police. Its fleet of 399 vehicles enables high-capacity training across all vehicle categories. The company has implemented a full digital transformation, including ERP systems, mobile apps, e-learning platforms, and customer feedback tools, to streamline operations and enhance the customer experience.

### Population Growth and Supportive UAE Policies Driving Demand for EDC Services

EDC is well-positioned to benefit from the UAE's strong economic growth, rising population, and supportive government initiatives. With the population expected to reach 11.4 Mn by 2029 and a large expatriate base in Abu Dhabi requiring formal driver licensing, demand for EDC's services continues to grow. Government programs like the Golden Visa and D33 Agenda attract skilled professionals, further expanding the need for mobility solutions. Increasing vehicle registrations and a booming tourism sector also contribute to sustained demand for driver training. Favorable policies, such as low import duties, fuel prices, and simplified licensing processes, support higher vehicle ownership and licensing rates.

### EDC Expanding through Organic Growth and Strategic Acquisitions

EDC is executing a comprehensive growth strategy focused on organic expansion and strategic acquisitions to strengthen its leadership in the UAE's mobility and driver education sector. EDC is expanding access to its internationally aligned training programs by opening new branches in high-demand areas. The 2024 acquisition of a 51% stake in Excellence Premier Investment LLC marked a major entry into Dubai, adding significant market share, new services, and operational synergies. EDC is also advancing into Smart Mobility through its subsidiary and data-driven transport platforms. Organic growth, acquisitions, and smart mobility position EDC for scalable growth and long-term leadership in a rapidly evolving mobility landscape.

### EDC Boosting Financial Performance with Rising Revenue and Profits

EDC has demonstrated strong financial performance, with revenue growing at a CAGR of 20.8% from AED 241 Mn in FY2020 to AED 513 Mn in FY2024, driven by increased student enrollments, geographic expansion, and the acquisition of Excellence Driving Company. Even excluding the acquisition, EDC achieved 12.1% YOY revenue growth in FY2024. The EBITDA grew from AED 258 Mn in FY2023 to AED 315 Mn in FY2024. The company remains financially resilient with a debt-free balance sheet. Net profit margin decreased to 54.0% in FY2024, impacted by lower margins from Excellence and the implementation of 9.0% tax rate in the UAE. Free cash flow declined to AED 156 Mn in FY2024 due to acquisition-related capex. EDC declared AED 183 Mn in dividends for FY2024 at a 66.1% payout ratio, reflecting its strong cash generation ability and high shareholders' returns.

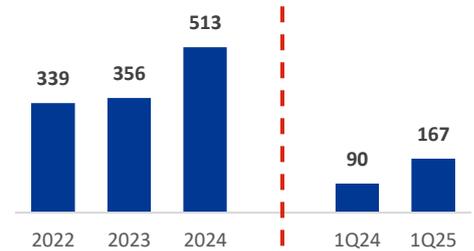
## Initiating Coverage

### Sector: Consumer Discretionary

Analyst Name: Ahmad Banihani

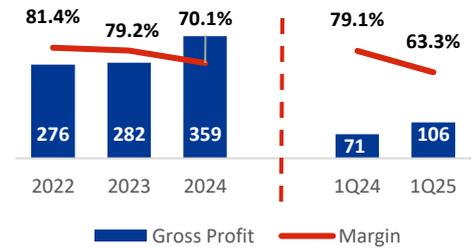
Rating	BUY
Current Market Price (AED)	2.85
Target Price (AED)	4.10
Upside/(Downside)	+44%
Market Cap (AED, Bn)	3.07

### Total Revenue (AED, Mn)



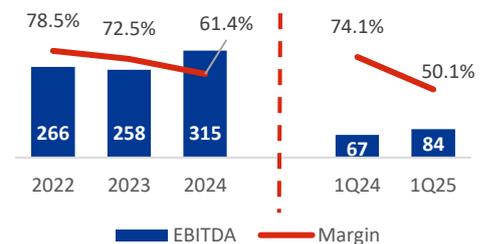
Source: Company Information

### Gross Profit (AED, Mn) and Gross Profit Margin (%)



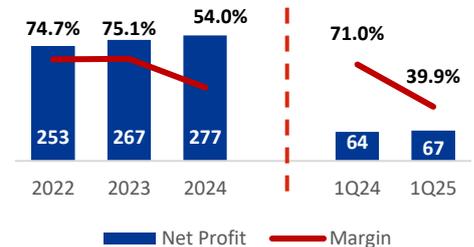
Source: Company Information

### EBITDA<sup>1</sup> (AED, Mn) and EBITDA Margin (%)



Source: Company Information, <sup>1</sup>Calculated EBITDA

### Net Profit (AED, Mn) and Net Profit Margin (%)



Source: Company Information

## Table of Contents:

<b>Introduction to Emirates Driving Company (EDC)</b>	<b>4</b>
<i>EDC: Premier Driver Education and Road Safety Solutions Provider in Abu Dhabi .....</i>	<i>4</i>
<b>Board of Directors</b>	<b>10</b>
<b>Highly Experienced Management Team</b>	<b>12</b>
<b>Investment Highlights</b>	<b>13</b>
<i>Primary Driving Educator in Abu Dhabi, Fueling Growth through Efficiency and Loyalty .....</i>	<i>13</i>
<i>Population Growth and Supportive UAE Policies Driving Demand for EDC Services .....</i>	<i>15</i>
<i>EDC Expanding through Organic Growth and Strategic Acquisitions .....</i>	<i>17</i>
<i>EDC Boosting Financial Performance with Rising Revenue and Profits .....</i>	<i>19</i>
<b>SWOT Analysis</b>	<b>21</b>
<b>Valuation Methodology</b>	<b>22</b>
<i>Target Fair Value Analysis .....</i>	<i>22</i>
<b>Key Financial Metrics</b>	<b>26</b>
<i>Financials .....</i>	<i>26</i>
<i>Revenue .....</i>	<i>26</i>
<i>EBITDA .....</i>	<i>27</i>
<i>Net Profit .....</i>	<i>28</i>
<i>Working Capital .....</i>	<i>29</i>
<i>Capital Expenditure .....</i>	<i>29</i>
<i>Cash Flow Generation .....</i>	<i>30</i>
<i>Dividends .....</i>	<i>31</i>
<b>FAB Securities Contacts:</b>	<b>37</b>

## Introduction to Emirates Driving Company (EDC)

### EDC: Premier Driver Education and Road Safety Solutions Provider in Abu Dhabi

EDC is the licensed driver training provider for Abu Dhabi, expanding its reach through strategic partnerships and the recent acquisition of Excellence Premier Investment

#### EDC is Leading the Way in Driver Training and Road Safety Across Abu Dhabi

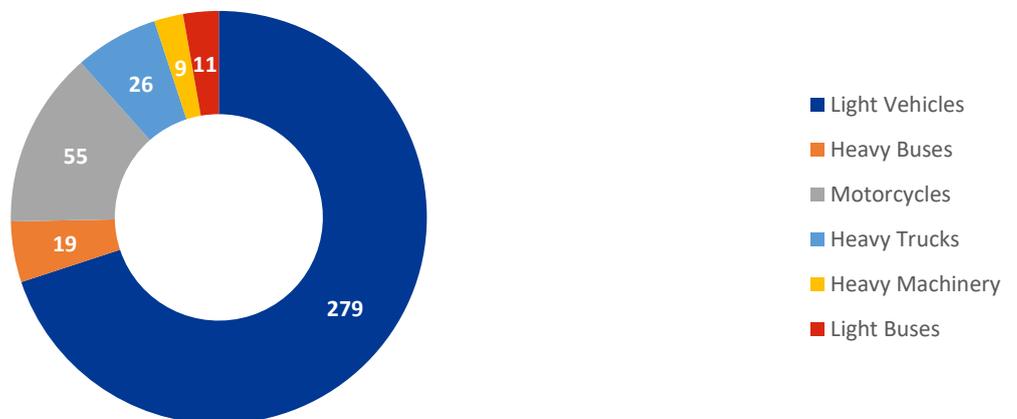
Established in 2000, Emirates Driving Company PJSC (EDC) is a licensed provider of driver training services in the Emirate of Abu Dhabi. Headquartered in Abu Dhabi and listed on the Abu Dhabi Securities Exchange (ADX) since 2005, EDC delivers a full spectrum of driver education services, including pre-license and post-license training and specialized road safety education programs. The company collaborates with Swedish Road Authority (SweRoad) and Abu Dhabi Police to ensure curriculum quality and alignment with local traffic laws and safety standards.

Building on this strong foundation, EDC has expanded its presence across the Emirate. As of 2024, EDC operates three main branches in Abu Dhabi City, Al Ain, and Madinat Zayed, along with four satellite locations (Dalma Island, Al Mirafa, Ghiyathi, and Al Sila) and has a presence in Dubai through its subsidiary, Excellence Driving Company. EDC's training fleet includes 399 vehicles across various categories, including light vehicles, motorcycles, heavy trucks, buses, and machinery in 2024. EDC served 144,118 new students in the same year and recorded 196,302 graduates.

Furthering its strategic growth, in FY2024, EDC acquired a 51% stake in Excellence Premier Investment LLC, the parent company of Excellence Driving Centre, Excellence Couriers Delivery Services LLC, and Excellence Premium Limousine Service LLC. These subsidiaries employ c. 1,150 professionals and operate a combined fleet of 1,044 vehicles. Through 23 branches of Excellence Driving across the Emirate of Dubai, the acquisition supports EDC's strategy to broaden its operational footprint and contribute to the continued development of driver education and transport services in the UAE.

Beyond commercial operations, the Company also plays an active role in road safety advocacy. It participates in the Abu Dhabi Road Safety Education Committee and provides technical input to the Integrated Transport Centre (ITC), contributing to road safety initiatives and awareness programs.

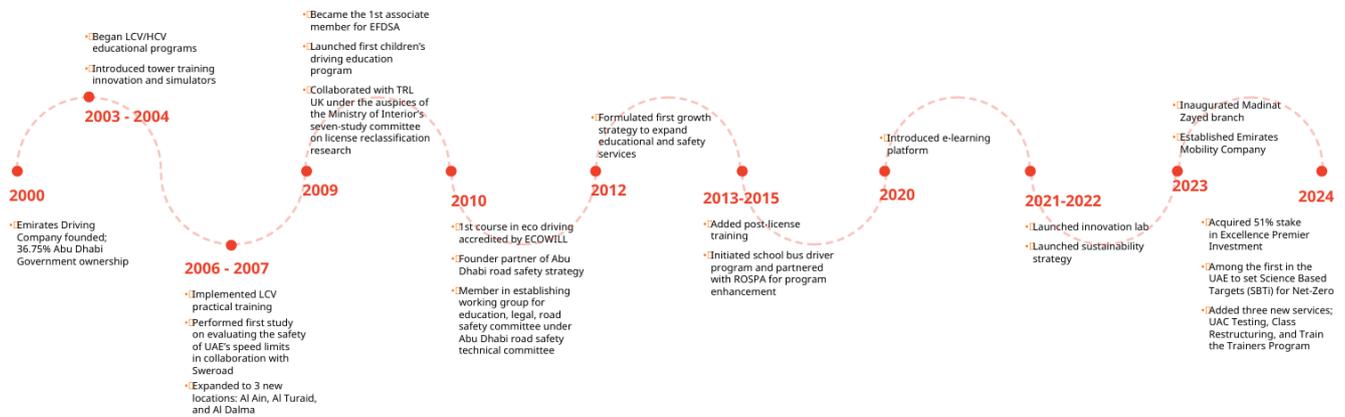
Figure 01: Fleet Composition



Source: Company Information

Reflecting on the journey of the Company, since its establishment in 2000, with 36.75% ownership by the Abu Dhabi Government, EDC has played a key role in shaping a safer, more professional driving culture in the UAE. Early milestones included the launch of LCV/HCV educational programs, tower training, and simulators (2003–2004), followed by practical LCV training and a speed limit safety study with SweRoad (2006–2007). In 2010, EDC became a founding partner of the Abu Dhabi Road Safety Strategy. Between 2013 and 2015, EDC introduced post-license training and a school bus driver program in collaboration with ROSPA. The company embraced digital transformation in 2020 with its e-learning platform, and in 2021–2022 launched an Innovation Lab to drive tech-based safety solutions. This strategic growth underscores EDC’s unwavering commitment to advancing road safety, innovation, and sustainable mobility across the UAE and beyond.

**Figure 02: EDC – Timeline Over the Period**



Source: Company Information

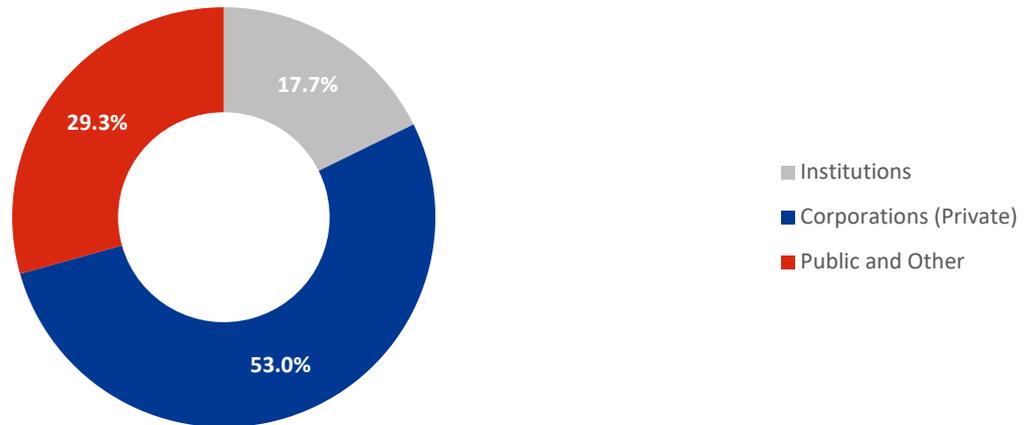
### EDC Shareholding and Ownership Structure

**EDC’s ownership structure is led by IHC, which holds a majority indirect stake through Multiply Group and its subsidiary Spranza, alongside several institutional investors**

The Company has a diversified shareholder base with notable institutional investors. International Holding Company (IHC) is the largest shareholder through its subsidiary Multiply Group, indirectly holding 47.95% of the Company’s equity, comprising a direct 11.24% stake and an additional 36.71% through its wholly owned subsidiary, SPRANZA Commercial Investment LLC. In addition, other major shareholders include Al Dhahi Capital MENA Fund, Al Dhahi Investment, Al Nahda Investment LLC, and CERT Foundation LLC. These institutional shareholders account for 70% of total ownership, reflecting stable and long-term institutional backing.

Alongside its strong ownership structure, the Company owns 100% of Emirates Mobility Company, which focuses on delivering sustainable and accessible transport solutions. It also wholly owns Tabieah Property Investment, a real estate investment entity. Furthermore, it holds a 51% stake in Excellence Premier Investment LLC, parent to several operational subsidiaries in driver training, logistics, and transport services. These subsidiaries support the Company’s strategic expansion across the mobility and training sectors.

Figure 03: EDC Shareholding Structure



Source: S&P Capital IQ

**EDC boosts comprehensive fleet, certified processes, and inclusive workforce**

**EDC Provides Quality Service through Advanced Training Facilities**

EDC operates with a strong training infrastructure supported by a fleet of 399 vehicles, which includes 279 light vehicles (of which 33 are hybrid), 19 heavy buses, 55 motorcycles, 26 heavy trucks, nine heavy machinery, and 11 light buses. The Company serves its clients (both residential and corporate) through three main branches and four satellite locations across Abu Dhabi and extends its reach into Dubai through its subsidiary, Excellence Driving Company. EDC was the first driving institute to introduce communication towers in the UAE. Moreover, the Company deployed smart educational devices, including smart simulators for virtual training, showing its commitment to modern and effective training methods.

In addition, the Company’s driver education curriculum, developed with international partners such as SweRoad and RoSPA, is offered in five languages to meet the needs of a diverse population. EDC holds several key ISO certifications, including ISO 14001 (Environmental Management), ISO 9001 (Quality Management), ISO 45001 (Occupational Health and Safety), ISO 39001 (Road Traffic Safety), and ISO 31000 (Risk Management). These certifications support its strong quality assurance framework, which includes over 40 foundational policies covering organizational excellence, safety, procurement, and corporate social responsibility. As a result, customer satisfaction remains high, with a CSAT score of 95% in 2024 and a first-time pass rate of 83% for theory and 80% for practical tests.

Furthermore, EDC employs 565 staff across key locations in Abu Dhabi, Al Ain, Madinat Zayed, and satellite branches. In 2024, the company delivered over 5,000 training hours, averaging c. 12.9 hours per employee, to foster a skilled and engaged workforce. EDC is also committed to diversity and inclusion, with increase of 17.7% in women holding mid-level roles and 73.15% of female employees being Emirati. The organization’s workforce spans 32 nationalities, reflecting its inclusive culture.

Figure 04: Geographical Presence of EDC



Source: Company Information

**Acquisition of Excellence and other strategic subsidiaries are powering EDC's regional expansion and innovation in sustainable mobility in the country**

### Excellence and Other Strategic Subsidiaries Support EDC's Regional Growth

In 2024, EDC acquired a majority stake (51%) in Excellence Premier Investment LLC, the parent company of Excellence Driving Centre in Dubai. Excellence Driving Centre, founded in 2020, has swiftly captured about 15% of the Dubai market with its network of 23 centres, supported by 500 expert instructors and a fleet of 550 vehicles. EDC's acquisition of Excellence Driving Centre supports its geographical expansion strategy for sustainable growth. The move added a high-growth, cash-generating business, expanded EDC's presence beyond Abu Dhabi, supported the UAE ecosystem, and enabled entry into adjacent markets.

Following the acquisition of Excellence Driving Centre, EDC achieved its highest-ever revenue, reaching AED 513 Mn for FY2024, marking a 44.2% YOY growth and underscoring strong post-acquisition momentum. Key contributors included AED 17 Mn in additional revenue from increased exam fees, AED 15 Mn from operational efficiency initiatives, and AED 21 Mn in EBITDA generated by the Excellence acquisition. On the cost side, EDC realized AED 9.5 Mn in savings (excluding depreciation and amortization), driven by manpower optimization—reducing headcount from 588 to 554, along with supplier contract reviews and early synergy planning with Excellence.

Other subsidiaries of EDC include Emirates Mobility Company and Tabieah Property Investment. Emirates Mobility Company is dedicated to advancing accessible, safe, and sustainable transportation solutions throughout the UAE. Tabieah Property Investment manages strategic real estate assets, including a luxury residential property on Abu Dhabi's prestigious Saadiyat Island (Now held for sale). This diversified portfolio approach supports operational growth and enhances long-term financial stability.

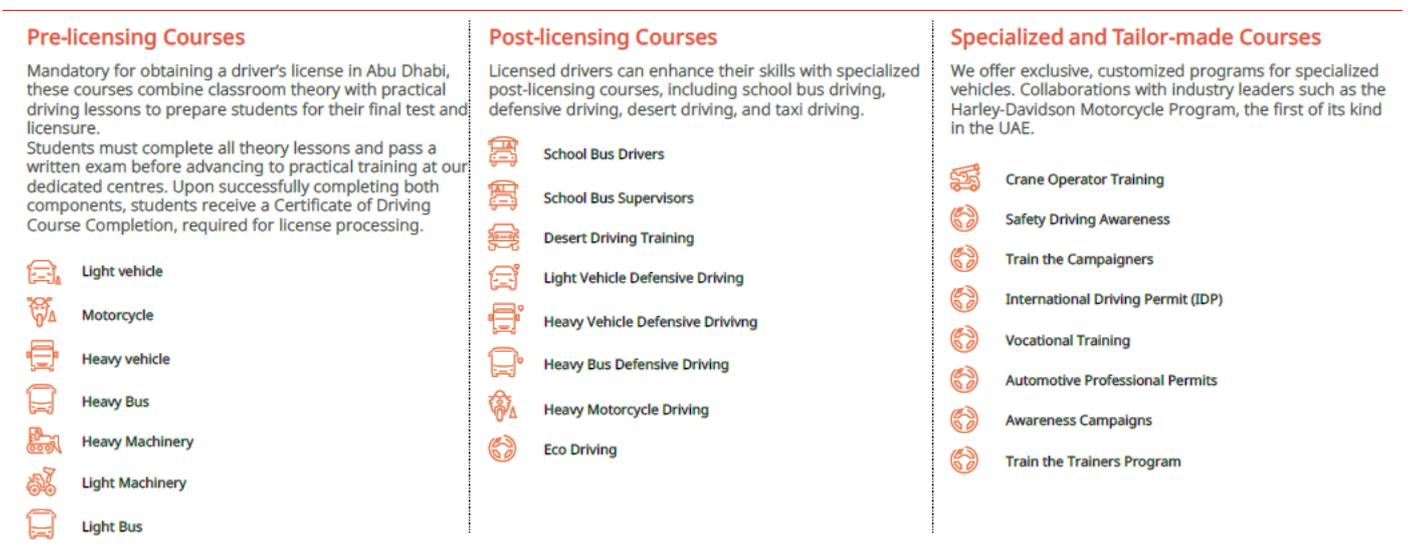
Together, EDC and its subsidiaries are redefining mobility in the UAE through innovation, regional expansion, and a commitment to excellence in service delivery, all aimed at safer roads, advanced mobility and transportation, and enriched customer experiences.

**EDC Provides a Comprehensive Set of Courses in its Driver Training Program**

**EDC delivers a wide range of industry-leading driver training programs, from pre-licensing and post-licensing courses to specialized, tailor-made training solutions**

EDC offers a comprehensive range of training programs tailored to meet the diverse needs of individuals and organizations. The Company’s Pre-Licensing Courses are mandatory for those seeking a driver’s license in Abu Dhabi and cover various vehicle categories, including light vehicles, motorcycles, heavy vehicles, buses, and machinery. For licensed drivers, Post-Licensing Courses enhance skills and promote road safety through specialized training such as School Bus Driver and Supervisor Training, Desert Driving, Defensive Driving, Heavy Motorcycle Driving, and Eco Driving. Additionally, EDC provides specialised and Tailor-Made Courses designed for professional and industry-specific requirements. These include the region’s first Harley-Davidson Motorcycle Program, Crane Operator Training, Safety Driving Awareness, International Driving Permit (IDP) services, Vocational Training, Automotive Professional Permits, and Awareness Campaigns. EDC also offer advanced programs like Train the Campaigners and Train the Trainers, empowering individuals to lead safety initiatives and instructor training across the UAE.

**Figure 05: Courses Offered by EDC**



Source: Company Information

**EDC Offers a Seamless and Structured Licensing Journey to Customers**

**EDC operates a unified business model that seamlessly combines revenue generation with service delivery through an integrated licensing and driver training system**

EDC’s comprehensive business model integrates revenue generation and service delivery within a single, structured licensing and driver training framework. The company’s operations are built around guiding residents of Abu Dhabi through every step of the process required to obtain a driver’s license, whether they are first-time applicants or holders of foreign licenses not eligible for direct exchange.

The customer journey starts with registration through the Abu Dhabi Mobility platform, the company’s mobile app, or one of its branches. From this point, EDC manages an end-to-end licensing experience through training stages, including theory classes, simulator instruction, practical yard training, and on-road driving lessons. Abu Dhabi Mobility conduct final testing, and successful candidates are issued their driving license. Moreover, this full-service model is underpinned by a structured fee system, with pricing varying depending on the course type and vehicle category. Some customers, particularly those under the Golden Chance program, benefit from an expedited licensing route, where they may bypass some stages if eligible.

Overall, EDC’s business model is supported by its ability to serve a wide range of customer needs while maintaining regulatory compliance, safety standards, and customer satisfaction. Its

vertically integrated service delivery and consistent engagement with public authorities position it as a critical player in the mobility ecosystem of Abu Dhabi.

Figure 06: EDC's - Alliances, Certifications / Accreditations and Memberships



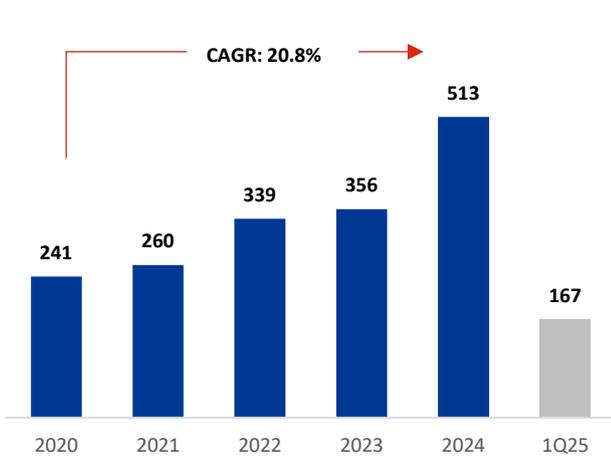
Source: Company Information

**Robust Financial Performance Driven by Strong Margins**

EDC witnessed strong financial growth during FY2024 and 1Q25 due to geographical expansion via acquisition and an increase in student enrollment

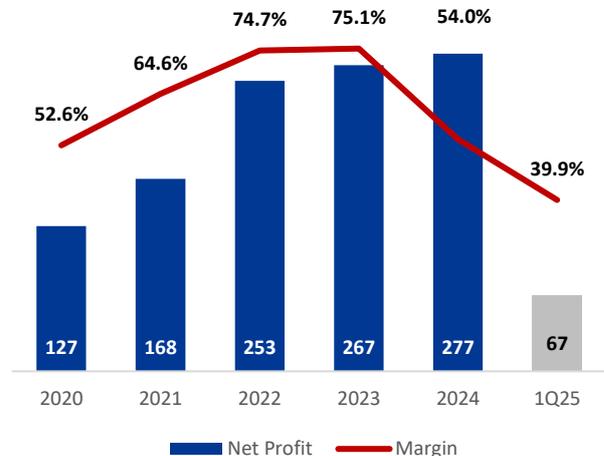
EDC reported strong financial performance in FY2024. EDC recorded CAGR growth of 20.8% in revenue between FY2020 and FY2024. The Company's revenue grew 44.2% YOY to AED 513 Mn, while gross profit rose 27.6% YOY to AED 359 Mn in FY2024. This growth was supported by increased exam fees, higher service utilization, and the acquisition of Excellence Premier Investments. Operating profit increased to AED 280 Mn in FY2024, and net profit grew by 3.8% YOY to reach AED 277 Mn despite broader cost pressures in FY2024. The Company reported a gross profit margin of 70.1% and recorded an EBITDA of AED 315 Mn. The momentum continued into 1Q25, as revenue increased 85.4% YOY to AED 167 Mn and net profit grew to AED 67 Mn in 1Q25 from AED 64 Mn in 1Q24. This performance was driven by a growing student base, which increased from 33,000 in 1Q24 to 40,000 in 1Q25, and more substantial contributions from the Excellence training segment added AED 63 Mn to the EDC's topline in 1Q25.

Figure 07: Revenue (AED, Mn)



Source: Company Information

Figure 08: Net Profit (AED, Mn) and Margin (%)



Source: Company Information

## Board of Directors:

### Board members of EDC

#### Chairman of the Board - Khalifa Al Romaithi



Executive Director of UAE Real Estates at Mubadala Investment Company "Mubadala", where he is responsible for several real estate, infrastructure, and financial assets in the United Arab Emirates. Mr. Khalifa Al Romaithi has over 20 years of experience, including Board Member of Aldar Properties, Abu Dhabi National Takaful Company. He previously held the position of Executive Director of the Transportation and Storage Department at Mubadala Investment Company

#### Vice Chairman - Mohamed Haji Al Khaori



General Director of Khalifa Bin Zayed Al Nahyan Foundation for Humanitarian Work - from 2007 to date

Secretary General of Abu Dhabi Chess Club - from 1990 to 2017. Vice President of Al Jazeera Investment Company - from 2011 to 2018

Director of Special Affairs at the Ministry of Presidential Affairs - from 2004 to 2007

Director of the Private Office at the Crown Prince's Court - from 1998 to 2004

Director of the Medical Department at the Crown Prince's Court - from 1992 to 1997

Financial Controller at the Crown Prince's Court - from 1990 to 1991

#### Board Member - Samia Bouazza



Managing Director and CEO of Multiply Group - from 2003 to date

Bachelor's degree in Political Science and Public Administration - American University of Beirut - 2001

Holds certificates in executive studies from Harvard Business School and the University of Cambridge in strategic intelligence and digital transformation

Member of the Board of Directors of Multiply Group and TAQA, and currently a member of the Board of Directors of several companies in Switzerland, New York and Abu Dhabi and is passionate about continuous learning, wellness, and empowerment of women



**Board Member - Mohamed Al Ameri**

Brigadier General / Mohammed Albraik Al Ameri has been the Director of the Drivers and Vehicles Licensing Directorate at the Abu Dhabi Police General Headquarters, from February 2019 to date. He also held several positions in the licensing departments and divisions at the Abu Dhabi Police General Headquarters from November 2001 until February 2019

Previously, he held several positions in the financial and administrative management of the Abu Dhabi National Oil Company "ADNOC" from 1990 until 1996

**Board Member - Ahmed Al Romaith**



CEO of Al Dhabi Capital Limited - from 2018 to date

Chief Executive Officer of Al-Dhabi Investment Company - from 2010 to date

CEO of the Abu Dhabi Cooperative Society - from 2008 until 2014

Assistant Director of the Evaluation and Follow-up Department at the Abu Dhabi Investment Authority - from 1996 to 2008

Bachelor of Business Administration - University of Denver, "United States of America" - in 1995

Certified Financial Analyst (CFA) – 2000

## Highly Experienced Management Team

### Experienced Management Team with a Long Track Record in the Business

#### Chief Executive Officer - Khaled Al Shemeili



Mr. Al Shemeili has been the Group CEO of Emirates Driving Company PJSC since mid-2020. With over 24 years of experience, he has been with the company since 2004 and has led it through numerous objectives and strategies that have resulted in exceptional growth and consistently strong performance. His 19 years of experience within the company have contributed significantly to its performance, growth, and strong relationships with strategic shareholders and stakeholders, maintaining the company's leading position. Future challenges are addressed through continuous workshops and brainstorming sessions with elite advisors and external consultants, as Mr. Al Shemeili remains committed to staying ahead of the curve in sustainability and innovation. He holds a Master's degree in Business Administration from the University of Derby in the United Kingdom.

#### Chief Financial Officer - Ahmed Odeh



Dr. Ahmed Odeh is a strategic and operations efficiencies-oriented executive with over 20 years of experience in finance, corporate strategy, corporate governance, risk management, internal controls, and audit "external and internal", spread across various sectors and industries (publicly listed companies, multi-national corporations as well as local entities) including government, mobility, defense, maintenance repair and overhaul, shipbuilding, consultancy, audit and financial institutions. Dr. Odeh has also held board memberships for several organizations including joint ventures and was as an audit committee member for a privately joint stock company. He successfully managed multibillion dirham budgets targeting profits and sales achievements, delivering complex accounting services, strategic financial planning & analysis and integration of merger & acquisitions.

#### Acting Chief Corporate Services Officer - Hamdan Al Hosani



Mr. Hamdan Alhosani is a seasoned professional with a proven track record of optimizing operations, driving efficiency, and enhancing sustainability. With over two decades of experience in fleet management, facility management, and risk mitigation, Mr. Alhosani has successfully led initiatives that have significantly reduced costs, improved service delivery, and positioned the company as a leader in corporate social responsibility.

## Investment Highlights

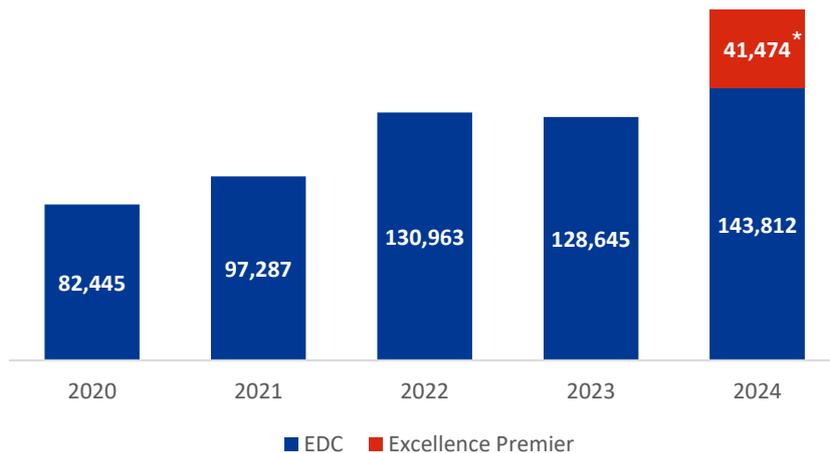
### Primary Driving Educator in Abu Dhabi, Fueling Growth through Efficiency and Loyalty

**EDC is the sole authorized provider of pre-licensing driving education in Abu Dhabi, holding a market leadership position in the region**

#### EDC is Leading the Market as the Authorized Driving Institute in Abu Dhabi

EDC is a market leader in driving education in Abu Dhabi. From the outset, EDC formed a strategic partnership with the SweRoad to implement the best practices in driver training and road safety education in the emirate. This collaboration has been instrumental in setting the standard for road safety and driver education in Abu Dhabi. EDC is the leading authorized provider of pre-licensing driving education in Abu Dhabi, holding a market leadership position in the region. The infrastructure and regulatory requirements involved in offering these services are unique and require significant investment. Therefore, EDC’s position as the authorized provider in the region is a significant competitive advantage, as it ensures stable demand and minimizes operational redundancy in the driving education sector. As the premier institution accredited by the government to issue driving licenses in the emirate, EDC plays a pivotal role in the licensing process for citizens, GCC nationals, and residents. Applicants are required to complete mandatory driving training courses and pass the requisite tests, which can only be administered through registered driving institutes in Abu Dhabi. This unique position ensures that EDC remains the primary provider of these essential services, cementing its long-term stability and growth prospects. EDC recorded a total of 143,812 students enrolling for its courses in FY2024. While Excellence registered 41,474 students in FY2024. EDC acquired Excellence in July 2024. On an average, EDC registered 109,835 students during pre-acquisition period of FY2020-23. Furthermore, EDC’s partnership with the Abu Dhabi Police in fostering road safety and compliance enhances its credibility and regulatory support, making it a trusted and integral part of Abu Dhabi’s transportation ecosystem. Given its dominant market position and crucial role in ensuring safer roads, EDC is well-positioned for sustained demand and profitability.

**Figure 09: Number of Enrolled Students**



Source: Company Information, \*EDC acquired Excellence in July 2024

**EDC has achieved exceptional operational efficiency through end-to-end digital transformation, delivering a seamless, high-quality training and licensing experience**

**EDC’s Streamlined Operations enabling Sustainable Growth**

EDC has demonstrated exceptional operational efficiency, which continues to drive profitability and customer satisfaction. The company has optimised its processes across the complete training and licensing journey, from registration to final license issuance, delivering customers a seamless, high-quality experience. EDC operates a comprehensive fleet of 399 vehicles, including cars, motorcycles, trucks, and buses, enabling high training capacity across all vehicle categories. The company undertook key initiatives in process optimization, including end-to-end digital transformation, such as full ERP implementation (Finance, HR, Procurement), Fleet Management, and Building Management Systems, alongside digital customer-facing platforms like online registration, e-learning modules, mobile apps, and a customer feedback management system.

The training journey is streamlined, structured and efficient as follows:

1. Digital Registration through the EDC app or branches.
2. Theory Training is delivered both online and on-premise, supported by digital learning tools.
3. On-Premise Practical Training, including simulator-based instruction.
4. Street Practical Training through certified third-party providers.
5. Final Practical Test conducted by Abu Dhabi Mobility, leading to license issuance.

This streamlined, technology-driven model enhances resource utilization, reduces operational bottlenecks, and supports scalable growth while maintaining high service quality and customer loyalty. EDC’s ability to integrate innovation with operational discipline underscores its position as a highly efficient company.

**Figure 10: Structured Approach to Registration and Driving License**

1	2	3	4	5
<b>REGISTRATION</b>	<b>THEORY TRAINING</b>	<b>ON-PREMISE PRACTICAL TRAINING</b>	<b>STREET PRACTICAL TRAINING</b>	<b>FINAL PRACTICAL TEST &amp; LICENSE ISSUANCE</b>
After obtaining the traffic number at Abu Dhabi Police, registration can then be done via the EDC app or through any of the company's main or satellite branches	Customers attend theory classes (online or on premise) designed for them to gain comprehensive vehicle driving skills. Upon passing the theory test, customers move to the next step	Practical training done on EDC premises including training through simulators. Upon passing the yard test customers move to the next step	Practical training conducted on actual streets (outside of EDC's training facilities) is provided through various third-party licensed companies	The final test is conducted via Abu Dhabi Police and license is granted post test completion
				

Source: Company Information

## Population Growth and Supportive UAE Policies Driving Demand for EDC Services

Strategically positioned to benefit from UAE's population growth, vehicle demand, and smart mobility expansion

### Favourable Demographics and Policy Support Driving Long-Term Demand

EDC is expected to benefit from the UAE's strong macroeconomic environment, steady population growth, and supportive government initiatives, contributing to sustained demand for driver training and mobility services over the long term.

The UAE's population reached around 11.0 Mn in 2024, growing at a CAGR of 2.9% since 2019. This growth trend is expected to continue, with the population forecast to reach 11.4 Mn by 2029. In Abu Dhabi, the population stood at 3.8 Mn in 2023, supported by inward migration driven by employment and education opportunities. Notably, expatriates make up c. 88.5% of Abu Dhabi's residents. This large non-national population typically requires formal licensing to drive, directly supporting demand for pre-licensing training. Given EDC's leadership in the Emirate's driver training segment, it is well-positioned to benefit from this structural trend.

In addition to population growth, government policies to attract talent and investment support long-term demand. Programs such as the Golden Visa and Dubai's D33 Agenda, which targets AED 100 Bn in annual trade growth and supports 30 high-growth startups, are designed to attract skilled professionals, entrepreneurs, and investors. These initiatives raise the overall population base and contribute to an expanding working population, which drives demand for mobility and licensing services.

The increase in registrations or sales of new vehicles in the last five years also reflects the growing need for driving education in the UAE. The registrations or sales of new vehicles rose to 306,279 in 2024 from 232,305 in 2019. The increase in new vehicle registrations and sales in the UAE between 2019 and 2024 is likely to benefit EDC by boosting demand for driving licenses, especially among new drivers and expats. This trend is expected to attract more students, expand to new locations, and offer tailored services such as advanced driving and corporate training.

This positive momentum is further reinforced by the tourism sector. Dubai received 18.7 Mn international visitors in 2024, a 9% increase over the previous year. As tourism recovers and expands, demand for rental vehicles, ride-hailing services, and transport infrastructure rises. These services require a consistent pipeline of trained drivers, which creates an indirect but meaningful boost for EDC's training business.

Moreover, the UAE's broader policy environment supports private vehicle ownership through cost-effective and efficient systems. Import duties remain low at 5.0%, and electric vehicles are exempt from customs tariffs under the national green mobility agenda. The value-added tax (VAT) is also held at just 5.0%, helping maintain consumer affordability. In Abu Dhabi, the TAMM platform further simplifies vehicle registration and licensing processes, reducing barriers for new drivers. As a result, more individuals are encouraged to obtain driving licenses, which feeds into EDC's core service offering.

In parallel, the low fuel price environment in the UAE continues to support car usage. Petrol and diesel prices stood at AED 2.6 and AED 2.5 per litre, respectively, as of May 2025. These prices are among the lowest globally and are sustained by domestic energy reserves and longstanding subsidies. Low operating costs make driving more attractive for residents, creating a supportive backdrop for vehicle ownership and driver training demand.

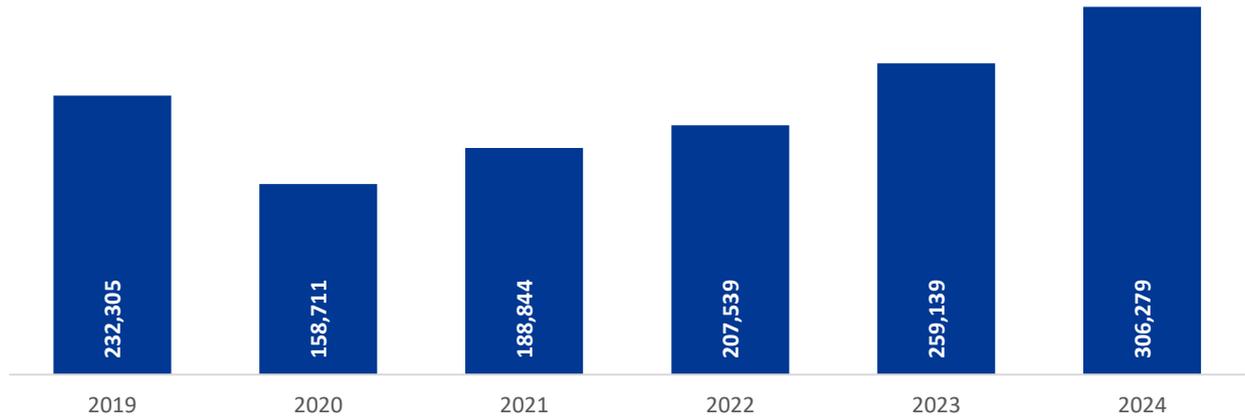
National development plans are expected to strengthen the mobility ecosystem further. Abu Dhabi's Vision 2030 significantly emphasises upgrading transportation infrastructure, including smart mobility solutions, modern roads, and integrated public transport hubs. EDC is well-placed

UAE's supportive policies, low fuel prices, and streamlined systems drive increased vehicle ownership and licensing demand

to align with these priorities through its long-standing collaboration with Abu Dhabi Police and the Integrated Transport Centre (ITC) and international curriculum partnerships with SweRoad.

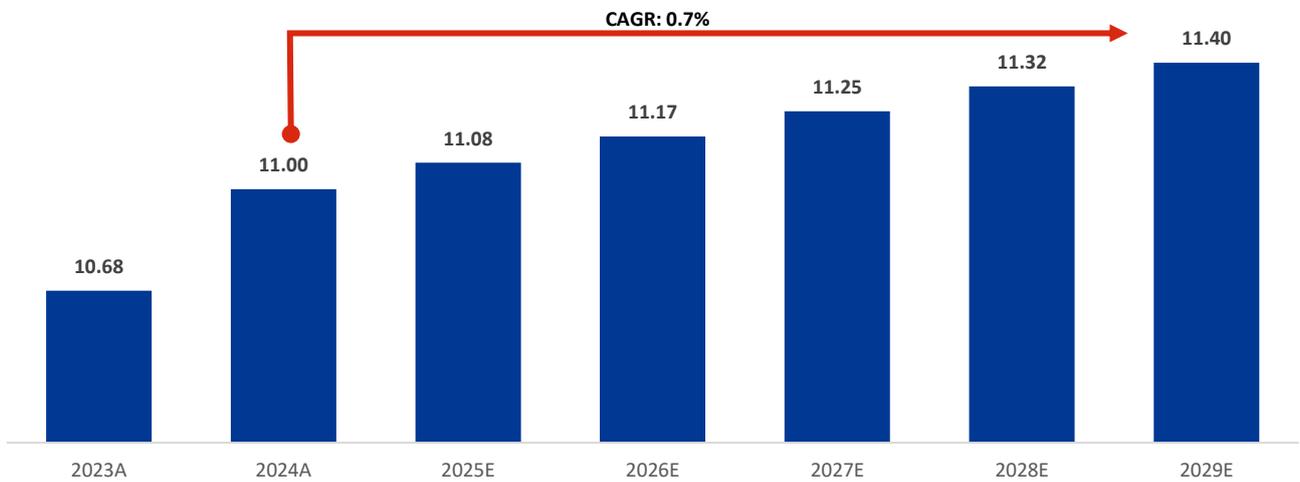
Population growth, supportive policies, strong tourism, and ongoing infrastructure investment create a favourable operating environment for EDC. With its established leadership position, strategic partnerships, and ability to align with national priorities, the Company is well-positioned to capture the next growth phase in the UAE’s evolving transport and mobility sector.

**Figure 11: Registrations or Sales of New Vehicles during the Year in the UAE- All Types**



Source: International Organization of Motor Vehicle Manufacturers (OICA)

**Figure 12: Population Growth in the UAE (Mn)**



Source: IMF

### EDC Scaling Operations through Product Innovation and Strategic Partnership

**Sustained business growth driven by continuous innovation, digital transformation, and strategic partnerships in the mobility sector**

EDC continues to improve its services by introducing new training programs, adopting modern technology, and working closely with other organizations. Over the past few years, EDC expanded beyond regular driver training to offer VIP courses, Smart Yard, vocational programs, Future Mobility Training and specialized training for professional and corporate clients. These additions reflect EDC’s efforts to meet the growing and changing needs of individuals and businesses across the UAE.

One of the key upcoming initiatives is the Smart Yard, expected to launch in 2025. This system uses sensors and Artificial Intelligence (AI) to evaluate learners' performance during driving tests. The goal is to make the testing process more accurate and fairer while easing the pressure on learners. Another important development is Smart Parking, which uses data and technology to assess parking skills across different vehicle types. These tools aim to improve the overall training experience and lower the chance of re-tests.

EDC also made strong progress in shifting its services online, evident from the fact that over 90% of its services moved to digital platforms, reducing waiting times significantly, from 1 hour 45 minutes to just 15 minutes. Internal operations also became more efficient with upgraded systems for booking, human resources, and fleet management. For example, the Akriva HR system handles recruitment, onboarding, payroll, and employee records more smoothly. To encourage new ideas, EDC runs an in-house initiative called Innovation Labs. This platform brings together employees and experts from different industries to develop creative solutions for transportation and training. In 2024, the company hosted a mobility-focused event, which led to valuable ideas in areas like clean energy, traffic systems, and transport research. This reflects EDC's active role in shaping the future of mobility in the UAE.

Partnerships play an important role in EDC's strategy. The company works with organizations such as the Center of Excellence for Applied Research and Training (CERT), Integrated Transport Centre (ITC), Abu Dhabi Mobility and other leading organizations. These collaborations support using advanced tools like AI simulators, online customer service systems, and improved training content. For instance, the partnership with CERT supports better training delivery. Such alliances help EDC keep improving and offering more value to its clients. Through steady innovation, technology upgrades, and strong partnerships, EDC continues to build a more effective and reliable driver training system.

**Figure 13: EDC's - Alliances, Certifications / Accreditations and Memberships**



Source: Company Information

## EDC Expanding through Organic Growth and Strategic Acquisitions

### EDC Strengthening Market Leadership through Strategic Expansion and Targeted Acquisitions

Scaling operations across the UAE and leveraging synergies to drive sustainable growth and operational efficiency

EDC is actively pursuing a robust growth strategy focused on organic expansion and strategic acquisitions to strengthen its leadership in the mobility and driver education sector. With over two decades of experience and a strong reputation in Abu Dhabi, EDC is now setting its sights on scaling across the UAE and broader regional markets. This is achieved by leveraging its proven

expertise, operational excellence, and deep understanding of market dynamics to open new training centers and increase its geographic footprint.

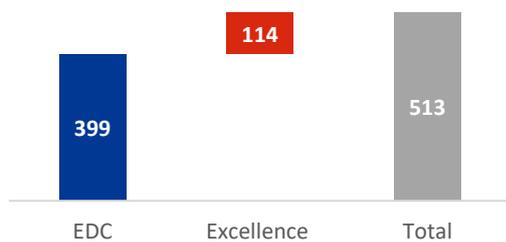
A central part of this growth strategy is expanding EDC’s physical presence by opening new branches in high-demand locations. This approach allows the company to bring its internationally aligned driver education programs to a broader population, aligning with government initiatives to improve road safety and mobility. These new locations drive top-line growth and enhance EDC’s visibility and accessibility, making it the go-to provider for driving education in the UAE.

In parallel, EDC is accelerating its expansion through well-aligned acquisitions. In FY2024, the company acquired a 51% stake in Excellence Premier Investment LLC, the parent company of Excellence Driving Centre and other complementary mobility businesses. This acquisition marks EDC’s strategic entry into the Dubai market, providing immediate access to a fast-growing business with c. 15% market share, 23 active facilities, 500+ instructors, and a fleet of over 500 vehicles. This move underscores EDC’s commitment to expand beyond Abu Dhabi and into new high-potential markets.

The Excellence acquisition also opens the door to valuable revenue and cost synergies. On the revenue side, it contributed c. AED 21 Mn to EBITDA in 2024 and is expected to support further growth through new initiatives such as courier and limousine services. On the cost side, both companies are exploring collaboration opportunities, supplier contract optimization, and shared operational functions to increase efficiency. These steps are part of a broader commitment to operational excellence, as reflected in EDC’s AED 9.5 Mn cost savings in 2024 alone.

Beyond physical growth, EDC is building long-term value by investing in future-defining capabilities and platforms to shape the next generation of mobility services in the UAE. Through its wholly-owned subsidiary, Emirates Mobility Company, EDC is strategically positioned to capitalize on Smart Mobility trends. The company is actively exploring opportunities in electric vehicle (EV) support services, integrated multimodal mobility platforms, and data-driven transport solutions, reinforcing its role in enabling the safe and efficient movement of people and goods across the UAE.

**Figure 14: Revenue in FY2024 (AED, Mn)**



**Figure 15: Net Profit<sup>1</sup> in FY2024 (AED, Mn)**



Source: Company Information, <sup>1</sup>Net Profit before NCI

smart AI training and electric vehicles helping EDC save money and lead the market

## EDC Fostering Sustainability through Technology and Green Practices

Beyond physical growth, EDC is undergoing a comprehensive digital transformation, embedding Digitalization and AI into its core operations. With major systems deployed across finance, HR, procurement, fleet, and facilities, EDC has already enhanced operational efficiency and strategic decision-making. Advanced use cases such as AI-driven training personalization, smart scheduling, and predictive maintenance are currently under exploration, further boosting the company's ability to improve customer outcomes and manage costs. These initiatives alone generated cost efficiencies exceeding AED 800,000 in 2024, with more gains expected as the transformation matures.

In line with national goals, EDC places Sustainability at the heart of its strategy, aligning closely with the UAE Net Zero 2050 vision. This includes transitioning to electric and hybrid training vehicles, optimizing energy use across facilities, and incorporating green building practices in all future expansions. Sustainability is not just a compliance goal for EDC, it is a key differentiator that attracts government clients, institutional partners, and a new generation of environmentally conscious learners.

To ensure it remains at the forefront of innovation and industry leadership, EDC is also increasing its focus on Research & Development (R&D). Strategic partnerships with SweRoad and other international knowledge centers enable the company to develop new training methodologies, enhanced safety standards, and simulation-based learning tools. These advancements support EDC's long-term readiness for future mobility ecosystems, including autonomous vehicles and regulatory evolution.

These strategic pillars, organic growth, strategic acquisitions, smart mobility, digital transformation, sustainability, and R&D, form a holistic and future-focused investment thesis. EDC's integrated growth strategy demonstrates its readiness to scale effectively while maintaining operational efficiency, financial strength, and strategic foresight. This multi-dimensional approach increases market share and revenue and enhances the company's resilience and long-term competitiveness in a rapidly evolving mobility landscape.

## EDC Boosting Financial Performance with Rising Revenue and Profits

EDC achieved strong revenue growth with a 20.8% CAGR from FY2020 to FY2024, driven by geographic expansion, rising student enrollments, and operational scale across its extensive branch network

### Increasing Number of Enrolled Students Ensuring Strong Revenue Visibility

EDC, a leading company in driving education and training services, has demonstrated solid revenue performance, supported by an increasing number of enrolled students and a growing number of branches across the UAE. Drive's scalable business model is underpinned by recurring revenue streams, primarily from Abu Dhabi residents and leading corporate clients. EDC recorded strong revenue growth, with a CAGR of 20.8% from AED 241 Mn in FY2020 to AED 513 Mn in FY2024. The Company also recorded a healthy revenue growth of 44.2% YOY in FY2024. The growth in revenue is primarily driven by geographic expansion through the acquisition of Excellence Driving Company, a higher number of student enrollments, enhanced efficiency, and the addition of new services. Excluding the acquisition of Excellence, EDC registered a revenue growth of 12.1% YOY to AED 399 Mn. The Company operates via its three main large branches, four satellite branches across Abu Dhabi with 399 vehicles, including cars, light vehicles, motorcycles, trucks, and buses, and through 23 branches of Excellence Driving Centre. EDC's revenue is expected to grow at a CAGR of 10.8% from AED 513 Mn in FY2024 to AED 856 Mn in FY2029, supported by solid recognition of revenue from increased student enrollments in both Abu Dhabi and Dubai and the implementation of new technology and courses such as Smart Yard and VIP courses. Excluding the revenue from Excellence, the

**Total revenue is expected to grow at a CAGR of 10.8% during FY2025-29**

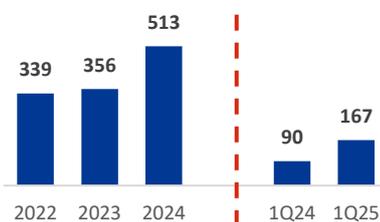
Company is expected to generate a revenue of AED 526 Mn in FY2029 compared to AED 399 Mn in FY2024, registering a CAGR of 5.7% during the period.

The Company's EBITDA grew 22.1% YOY from AED 258 Mn in FY2023 to AED 315 Mn in FY2024. The improvement in EBITDA is primarily caused by cost optimization and digital transformation through the acquisition of Excellence Premium Investment and operational excellence. However, the EBITDA margin decreased from 72.5% in FY2023 to 61.4% in FY2024 due to margin dilution from the Excellence acquisition. Excellence Premium Investment recorded an EBITDA of AED 43 Mn in FY2024. Net profit margin (attributable to shareholders) of the EDC stood at 54.0% in FY2024 which is a decline from 75.1% in FY2023 because Excellence generated a low net profit margin of 10.0% in FY2024. The Company also incurred a tax expense of AED 28 Mn. The effective tax rate stood at 9.0% in FY2024. The Company is expected to pay effective tax rate of 15% during FY2025-29 because of the implementation of Domestic Minimum Top-up Tax (DMTT) in the UAE from FY2025.

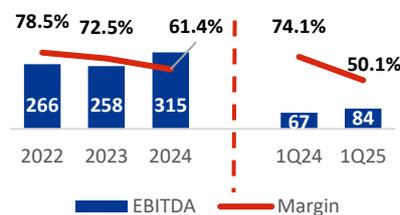
EDC operates with a robust financial profile, including a debt-free balance sheet, underscoring its financial resilience and operational efficiency. Its expansion into advanced AI strategy and digital learning platforms has opened new revenue channels, enhancing service offerings and customer reach. Drive is strategically positioned to capture the rising demand for regulated driver training, particularly with increasing urbanization and mobility infrastructure projects across the UAE.

The Company is expected to boast a high free cash flow conversion during FY2025-29, reflecting its efficient operations and strong ability to generate cash from earnings to support growth and shareholder returns. EDC generated a low free cash flow of AED 156 Mn in FY2024, a decline from AED 197 Mn in FY2023 due to high capital expenditure incurred during the year for the acquisition of Excellence. However, the Company is expected to record a free cash flow conversion between 80-85% on an average in FY2025-29, similar to the historic period. EDC maintains a high dividend payout ratio, reflecting its strong cash flow generation and commitment to delivering consistent shareholder returns. The Company declared a dividend of AED 183 Mn for FY2024 and is projected to maintain the dividend payout ratio of 70% during FY2025-29. We expect Drive to distribute cumulative dividend of AED 1.2 Bn for the period of FY2025-29.

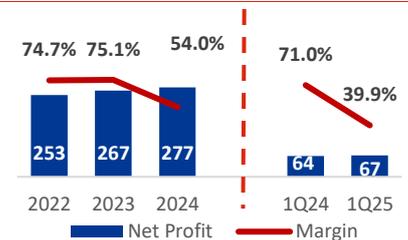
**Figure 16: Revenue (AED, Mn)**



**Figure 17: EBITDA (AED, Mn) and Margin (%)**



**Figure 18: Net Profit (AED, Mn) and Margin (%)**



Source: Company Information

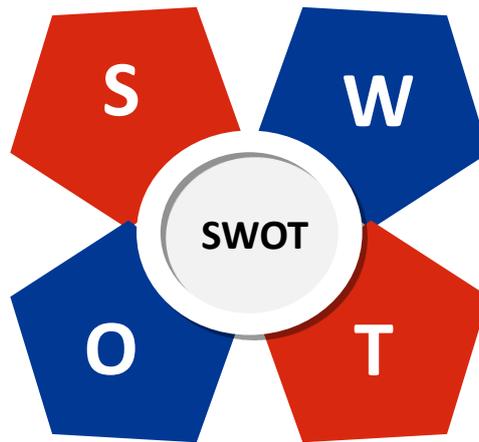
## SWOT Analysis

### STRENGTHS

- **Sole Pre-licensing Provider in Abu Dhabi:** This unique position ensures that EDC remains the primary provider of these essential services, creating a market leadership position for the Company
- **Strategic Expansion Through Acquisition:** The acquisition of Excellence Premier Investment has significantly broadened EDC's market presence, adding over 23 branches across Dubai. This expansion diversifies EDC's service offerings, including delivery, limousine, and auto workshop operations, thereby
- **Strategic Government Collaboration:** As a government-backed entity, EDC benefits from robust institutional support, facilitating streamlined access to resources and alignment with national policies. This partnership enhances EDC's credibility and operational efficiency within the UAE's regulatory framework
- **Emphasis on Technological Advancement:** Committed to modernization, EDC has integrated advanced technologies into its training programs. Investments in AI and the development of human capital reflect EDC's strategic focus on enhancing operational efficiency and service quality

### WEAKNESSES

- **Limited Geographic Diversification:** While the acquisition expands EDC's presence within the UAE, its operations remain concentrated domestically (focused in Abu Dhabi), potentially limiting exposure to broader international markets
- **Reduced Profitability Amid Expansion:** Despite an 85% surge in revenue in 1Q25, EDC's gross profit margin declined from 79% to 63%, reflecting increased direct expenses tied to its expansion efforts
- **Competition from Smaller Institutes:** Smaller, less regulated driving schools may offer lower prices, attracting cost-sensitive customers despite potentially lower quality.



### OPPORTUNITIES

- **Expansion Beyond UAE and other Emirates:** There's potential for EDC to expand its services beyond Abu Dhabi and Dubai and expand its operation to other emirates, tapping into new markets beyond the UAE
- **EV Infrastructure and Green Mobility:** Through the acquisition of Excellence Premier Investment, EDC has diversified into delivery, limousine, and auto workshop operations. This expansion positions EDC to invest in electric vehicle infrastructure and green mobility solutions
- **Corporate Training Programs:** Developing specialized courses for corporate clients can open new revenue streams and strengthen industry partnerships

### THREATS

- **Rising Competition:** The growing number of driving schools in the UAE intensifies competition, which may impact EDC's expansion outside Abu Dhabi
- **Regulatory Changes:** Updates to traffic laws or licensing requirements could require EDC to swiftly adjust its training programs
- **Economic Fluctuations:** Macro-economic downturns might lead to decreased enrollments
- **Technological Advancements:** The emergence of autonomous vehicles and ride-sharing services could diminish the demand for traditional driver training over time

## Valuation Methodology

### Target Fair Value Analysis

We arrive at EDC's fair value of AED 4.10 per share based on a mix of valuation methods

#### DCF, DDM AND RELATIVE VALUATION

We have used a mix of Discounted Cash Flow (DCF), Dividend Discount Model (DDM) and comparable Company Method (CCM) valuation methods to arrive at EDC's fair value. EDC is a leading provider of driver training services in Abu Dhabi, offering comprehensive education programs aligned with local traffic laws to various residents and corporate clients. The Company generates revenue from students enrolling in driving courses. In addition, it also provides pre-licensing, post-licensing and specialised and tailor-made courses. EDC operates three main branches in Abu Dhabi City, Al Ain, and Madinat Zayed, along with four satellite locations (Dalma Island, Al Mirafa, Ghiyathi, and Al Sila) and has a presence in Dubai through its subsidiary, Excellence Driving Company. EDC's training fleet includes 399 vehicles across various categories, including light vehicles, motorcycles, heavy trucks, buses, and machinery in 2024. EDC served 144,118 new students in the same year and recorded 196,302 graduates. The Company is strategically positioned to leverage the rising demand for driving and mobility solutions in the UAE.

We have assigned a higher weight to DCF valuation based on its reliability in capturing future cash flow projections over multiple periods as opposed to other valuation methods. In CCM valuation, the EV/EBITDA multiple is used to value the Company, as this valuation multiple allows us to compare companies of various sizes with different capital structures. EDC intends to distribute 70% of its net profit as dividends in FY2025 and onwards. We assumed in the subsequent years that the Company would maintain a similar payout. EDC consistently paid dividends with an average payout ratio of 67.3% in the last two fiscal years (i.e. FY2023- 24). We expect the Company to maintain this payout in the forecasted period and expect the dividend to grow in line with EDC's earnings. Thus, we have valued the Company using the DDM valuation method, in which the dividend paid to shareholders is used to value the Company.

### CONSOLIDATED VALUATION EMIRATES DRIVING COMPANY

Name of Entity	Valuation (AED, Mn)	Weight (%)	Total Valuation (AED, Mn)
<b>Valuation of the Emirates Driving Company based on -</b>			
Discounted Cash Flow (DCF)	4,627	70.0%	3,239
Relative Valuation (EV/EBITDA)	4,572	15.0%	686
Dividend Discount Model (DDM)	3,276	15.0%	491
<b>Total Valuation (AED, Mn)</b>			<b>4,416</b>
<b>Total Valuation (USD, Mn)</b>			<b>1,202</b>
<b>No. of Shares outstanding (Mn)</b>			<b>1,077</b>
<b>Equity Value per Share (AED)</b>			<b>4.10</b>

The performance of EDC is analyzed in detail to arrive at fair value estimates. We took a fair estimate across the respective companies' income statements and financial positions to arrive at their valuation. The valuation brought forward a target value of AED 4.10 per share.

The weightage assigned to the DCF, Relative valuation and DDM methods stood at 70%, 15% and 15%, respectively.

We arrived at a value of AED 4.6 Bn/AED 4.29 per share using DCF valuation

### 1) Discounted Cash Flow Valuation

We relied upon the historical performance, recent number of enrolled students, market expansion, acquisition and recent guidance provided by the Company management to arrive at the valuation through DCF methodology. We derived the Company's Terminal Value using the Gordon Growth Model and extrapolated last year's adjusted free cash flows at a terminal growth rate of 2.0% to perpetuity. To arrive at Ke (Cost of Equity), we have used the 10-year government bond yield of 5.0%, Country risk premium of 4.6%, and a beta of 1.0. After applying all these, we arrived at the cost of equity of 9.7%. We have used a 10-year US Government Yield and further added a 10-year Abu Dhabi Government CDS spread to arrive at an appropriate risk-free rate. EDC boasts a debt-free balance sheet; thus, the cost of equity is used as the cost of capital. Therefore, we have used free cash flow to the equity to arrive at the valuation using the DCF methodology.

#### I. DCF Valuation of Emirates Driving Company

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
<b>All figures in AED Mn, unless stated</b>						
Net Profit	300	324	333	347	368	390
(+/-) Depreciation & amortization	36	35	35	35	35	35
(+/-) CAPEX	-18	-25	-27	-28	-30	-31
(+/-) Working Capital	37	-12	-14	5	4	4
Net change in debt	-7	-7	-7	-8	-8	-8
<b>Free Cash Flow to Equity</b>	<b>348</b>	<b>315</b>	<b>320</b>	<b>350</b>	<b>370</b>	<b>389</b>
Discount factor	0.95	0.86	0.79	0.72	0.66	0.60
<b>Present Value of FCFE</b>	<b>248</b>	<b>272</b>	<b>252</b>	<b>252</b>	<b>243</b>	<b>233</b>
<b>Total Present value of FCFE</b>						1,500
Terminal Value						3,127
Terminal growth rate						2.0%
Weighted average cost of capital						9.7%
<b>Equity Value</b>						<b>4,627</b>
<b>Equity Value Per Share (AED)</b>						<b>4.29</b>

Source: FAB Securities Research

#### a) Sensitivity of DCF to Key Assumptions

Sensitivity analysis generates the highest valuation of AED 6.1 Bn and the lowest valuation of AED 3.8 Bn

Our DCF valuation is based on a weighted average cost of capital (WACC) of 9.7%. A sensitivity analysis shows that a change of +/- 0.5% in the weighted average cost of capital and terminal growth rate will provide a valuation range of AED 3.8 Bn to AED 6.1 Bn. The table below shows the sensitivity between the change in terminal growth rate and the weighted average cost of capital.

## 1. DCF Sensitivity to Terminal Growth Rate and WACC

		Terminal Growth				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	8.7%	4,801	5,048	5,332	5,663	6,052
	9.2%	4,501	4,713	4,955	5,233	5,557
	9.7%	4,236	4,420	4,627	4,864	5,136
	10.2%	4,001	4,161	4,340	4,543	4,775
	10.7%	3,790	3,930	4,087	4,262	4,461
			Terminal Growth			
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	8.7%	4.46	4.69	4.95	5.26	5.62
	9.2%	4.18	4.37	4.60	4.86	5.16
	9.7%	3.93	4.10	4.29	4.51	4.77
	10.2%	3.71	3.86	4.03	4.22	4.43
	10.7%	3.52	3.65	3.79	3.96	4.14

## 2) Relative Valuation

We are using EV/EBITDA valuation to value the firm

In the CCM valuation, the EV/EBITDA multiple is used to value the Company, as the multiple allows us to compare companies of various sizes with different capital structures. We have used the adjusted EBITDA of FY2025 as it excludes gains from the sale of assets. We have used local as well as international peers to value EDC. EDC operates in a regulated industry with limited flexibility to alter fees; hence, the regional companies with similar characteristics of regulation are used to value the firm. In addition, international companies operating in a similar industry are also included for valuation.

## II. Relative Valuation of Emirates Driving Company

(All Figures in Million AED, unless stated)

### Based on EV/EBITDA Multiple

Adjusted EBITDA (FY2025)	355
Applicable Multiple	11.7x
Premium/(Discount to Median Multiple)	0.0%
Peer Median Valuation	11.7x

<b>Enterprise Value</b>	<b>4,156</b>
Net (Debt)/Cash	416

<b>Equity Value</b>	<b>4,572</b>
---------------------	--------------

Source: Company Information, FAB Securities Research

### III. Peers Valuation

Company. Name	Market Cap (USD, Mn)	EV/EBITDA (x)	
		2025	2026
<b>Local and Inter Companies</b>			
Salik Company PJSC	11,414	21.2x	19.8x
Dubai Taxi Company PJSC	1,742	11.2x	9.7x
Parkin Company PJSC	5,079	25.4x	24.1x
ADNOC Drilling Company PJSC	23,077	11.7x	10.9x
Dubai Electricity and Water Authority PJSC	36,345	9.7x	9.3x
Abu Dhabi National Oil Company for Distribution PJSC	11,979	12.1x	11.4x
Eastern Pioneer Driving School Co. Ltd	292	7.0x	NA
<b>Average</b>		<b>14.1x</b>	<b>14.2x</b>
<b>Median</b>		<b>11.7x</b>	<b>11.2x</b>
<b>Max<sup>1</sup> (Quartile 3)</b>		<b>16.7x</b>	<b>17.7x</b>
<b>Min<sup>2</sup> (Quartile 1)</b>		<b>10.5x</b>	<b>10.0x</b>

Source: Bloomberg, S&P Capital IQ Pro, <sup>1</sup> Values correspond to Quartile 3, <sup>2</sup> Values correspond to Quartile 1

### 3) Dividend Discount Valuation (DDM)

Using the DDM approach, we arrive at a fair value of AED 3.3 Bn/ AED 3.04 per share

EDC consistently paid dividends with an average payout ratio of 67.3% in the last two fiscal years (i.e. FY2023- 24). We expect EDC to maintain a Dividend payout ratio of 70% during the forecasted period, translating to a cumulative dividend of AED 1.2 Bn for FY2025-29. The Company intends to distribute dividends annually. All forecasted dividends are discounted to present value using the cost of equity of 9.7%. We have also calculated our terminal growth rate, assuming the Company's business will continue to operate until perpetuity, using the terminal growth rate of 2.0%.

#### I. Dividend Discount Valuation

	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
<b>All figures in AED million, unless stated</b>						
<b>Total Dividend</b>	<b>210</b>	<b>227</b>	<b>233</b>	<b>243</b>	<b>258</b>	<b>273</b>
Discount factor	0.95	0.86	0.79	0.72	0.66	0.60
<b>Present value of Dividend</b>	<b>199</b>	<b>196</b>	<b>184</b>	<b>175</b>	<b>169</b>	<b>163</b>
<b>Total Present Value of Dividend</b>						<b>1,085</b>
Terminal Value						2,190
Dividend growth rate						2.0%
Cost of Equity						9.7%
<b>Equity Value</b>						<b>3,276</b>
<b>Equity Value per Share (AED)</b>						<b>3.04</b>

Source: Company Information, FAB Securities Research

## Key Financial Metrics

### Financials

Revenue is expected to grow at a CAGR of 10.8% from AED 513 Mn in FY2024 to AED 856 Mn in FY2029

#### Revenue

EDC is a leading provider of driver education and training services, recognized for its strong revenue growth driven by rising student enrollments and an expanding operational footprint. The company is well-positioned for sustained and exponential growth over the forecast period, supported by a clear and focused strategy. EDC's growth plan is centered on increasing student intake, launching new service offerings, expanding into new geographic markets, and pursuing inorganic growth opportunities such as strategic acquisitions. By enhancing its service delivery and scaling operations, EDC aims to meet the growing demand for professional driver education while reinforcing its market leadership.

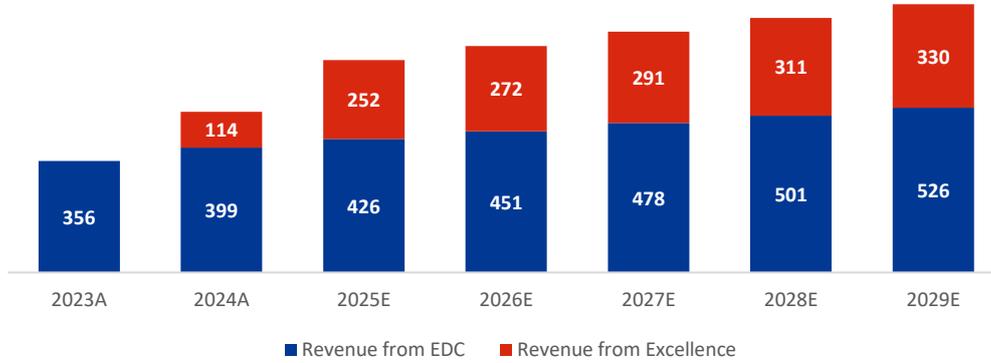
The company's primary revenue stream comes from fees collected during student registration, to provide accessible, high-quality training. EDC alone recorded a total of 143,812 students while Excellence registered 41,474 students in FY2024. We assume an average of 227,572 students every year post-acquisition of Excellence by EDC during FY2025-29. With a solid foundation and strategic vision, EDC is poised to continue its upward trajectory and deliver long-term value through consistent enrollment growth and service expansion.

EDC's total revenue grew 44.2% YOY from AED 356 Mn in FY2023 to AED 513 Mn in FY2024 due to geographic expansion through the acquisition of a new subsidiary in Dubai, a higher number of students, enhanced efficiency, and the addition of new services. Additionally, the Company's revenue grew 85.4% YOY to AED 167 Mn in 1Q25, mainly driven by a higher number of enrolled students exceeding expectations and operational efficiency improvements, coupled with the consolidation of revenue from Excellence. The Company registered 22% YOY growth in new enrolled students in 1Q25. EDC's revenue is further expected to grow at a CAGR of 10.8% from AED 513 Mn in FY2024 to AED 856 Mn in FY2029, driven by the organic and inorganic market expansion, digitalization and product innovation. Excluding the revenue from Excellence, EDC is expected to record CAGR growth of 5.7% from AED 399 Mn in FY2024 to AED 526 Mn in FY2029. Additionally, Excellence is projected to generate revenue of AED 330 Mn in FY2029, compared to AED 234 Mn in FY2024. Since Excellence was acquired in July 2024, it contributed AED 114 Mn to EDC in FY2024.

KPIs	2023A	2024A	2025E	2026E	2027E	2028E	2029E
<b>Number of enrolled students</b>							
EDC	128,645	143,812	153,879	163,112	172,898	181,543	190,620
Excellence		41,474	47,695	51,511	55,116	58,975	62,513
<b>Total</b>	<b>128,645</b>	<b>185,286*</b>	<b>201,574</b>	<b>214,622</b>	<b>228,015</b>	<b>240,518</b>	<b>253,133</b>

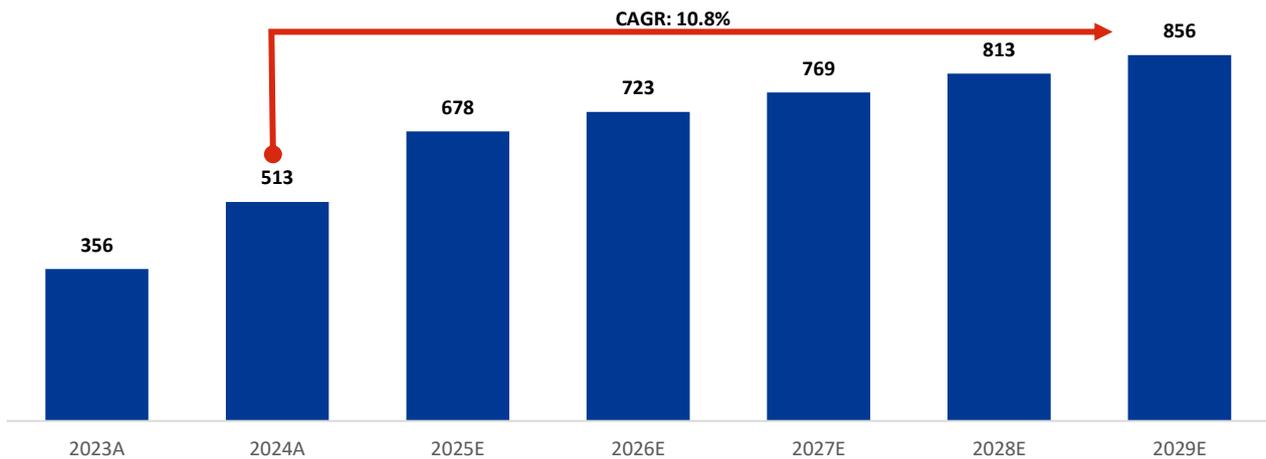
\*EDC acquired Excellence in July 2024

**Figure 19: Revenue from EDC and Excellence (AED, Mn)**



Source: Company Information, FAB Securities Research 2025E-29E

**Figure 20: Total Revenue (AED, Mn)**



Source: Company Information, FAB Securities Research 2025E-29E

### EBITDA

**EBITDA is expected to grow at a CAGR of 7.1% from AED 315 Mn in FY2024 to AED 444 Mn in FY2029**

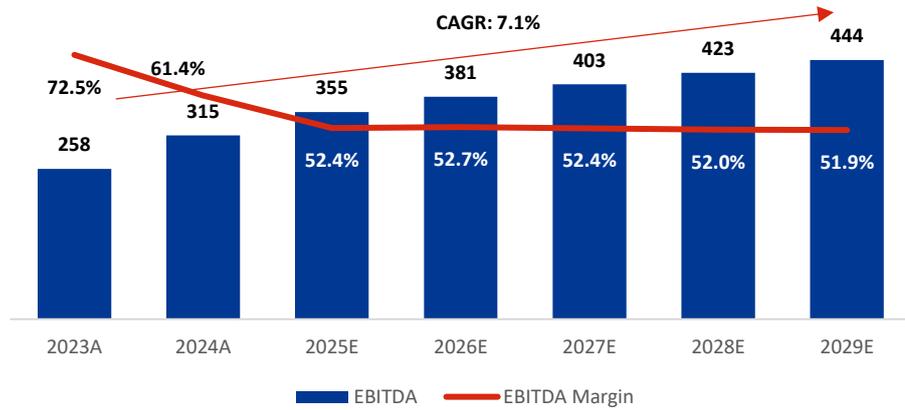
EDC's EBITDA grew 22.1% YOY from AED 258 Mn in FY2023 to AED 315 Mn in FY2024, while the EBITDA margin declined from 72.5% in FY2023 to 61.4% in FY2024. The decline in EBITDA margins is due to the acquisition of a less profitable company, Excellence Premier Investments, which has a lower gross and net margin than EDC. Excellence contributed AED 21 Mn in EBITDA of FY2024 to EDC out of the total recorded EBITDA of AED 43 Mn during the year.

The Company's direct costs more than doubled from AED 74 Mn in FY2023 to AED 153 Mn in FY2024 due to the increase in staff costs, RTA fees charged in Dubai, and other expenses after the acquisition of Excellence. RTA fees are only charged in Dubai. Hence, they appeared after the acquisition of Excellence. The Company also recorded double the amount of depreciation on PPE in FY2024 as it acquired more fixed assets post the acquisition. Direct cost is projected to grow at a CAGR of 14.5% from AED 153 Mn in FY2024 to AED 301 Mn in FY2029. Direct costs include staff costs, depreciation of property, plant & equipment, RTA fees, repairs and maintenance, fuel expenses, transportation expenses, insurance expense, and others.

General and administrative expenses (G&A) rose 34.2% YOY from AED 82 Mn in FY2023 to AED 110 Mn in FY2024. G&A expenses are expected to grow at a CAGR of 8.0% from AED 110 Mn in FY2024 to AED 161 Mn in FY2029. Staff costs rose from AED 30 Mn in FY2023 to AED 41 Mn in FY2024 and are anticipated to grow at a CAGR of 11.5% from AED 41 Mn in FY2024 to AED 70 Mn in FY2029.

We expect EBITDA to grow at a CAGR of 7.1% from AED 315 Mn in FY2024 to AED 444 Mn in FY2029. In contrast, the EBITDA margin is expected to fall from 61.4% in FY2024 to 51.9% in FY2029 due to higher staff costs, depreciation and other expenses. Since Excellence was acquired in the middle of FY2024, direct and G&A expenses are likely to double in FY2025, leading to a lower EBITDA margin in FY2025 and subsequent periods.

**Figure 21: EBITDA<sup>1</sup> (AED, Mn) and Margin (%)**



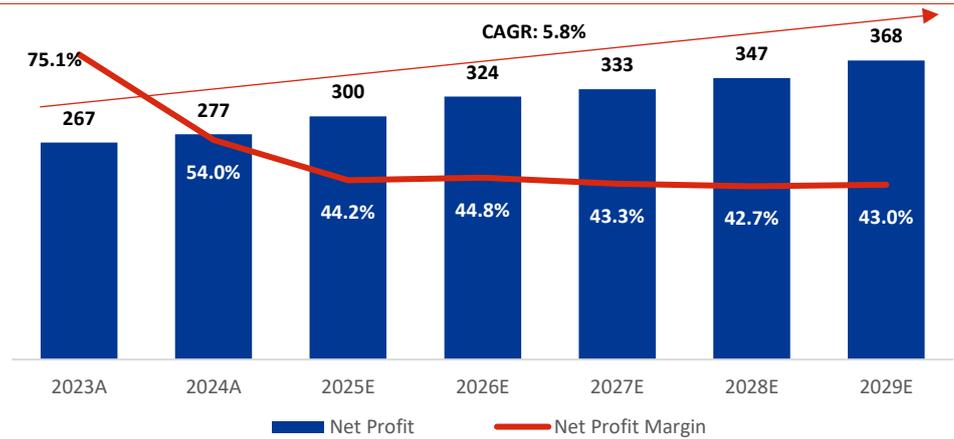
Source: FAB Securities Research 2025E-29E, <sup>1</sup>Calculated EBITDA for the period of FY2023 and FY2024

### Net Profit

**Net profit attributable to equity holders is anticipated to grow at a CAGR of 5.8% from AED 277 Mn in FY2024 to AED 368 Mn in FY2029**

EDC recorded a net profit attributable to shareholders growth of 21.6% CAGR from AED 127 Mn in FY2020 to AED 277 Mn in FY2024. The company also reported net margin of 54.0% in FY2024, a fall from 75.1% in FY2023 due to margin dilution from the acquisition of Excellence, whose net profit margin is reported as 10.0% for FY2024. Excellence contributed net profit of AED 12 Mn to EDC in FY2024. The Company's net profit is expected to grow at a CAGR of 5.8% from AED 277 Mn in FY2024 to AED 368 Mn in FY2029. Moreover, the net profit margin of EDC is expected to decline from 54.0% in FY2024 to 43.0% in FY2029, impacted by the acquisition of a low-margin entity and the introduction DMTT in the UAE from FY2025. Additionally, the Company's net profit grew from AED 64 Mn in 1Q24 to AED 67 Mn in 1Q25, mainly attributable to higher revenue and interest income. Moreover, the Company is expected to generate an additional total income of AED 30 Mn during FY2025-26 as a gain from the sale of its investment property, a Saadiyat Island building registered under Tabeiah Property Investments LLC, a subsidiary of the EDC, which is included in the net profit of FY2025 and FY2026.

**Figure 22: Net Profit (AED, Mn) and Margin (%)**



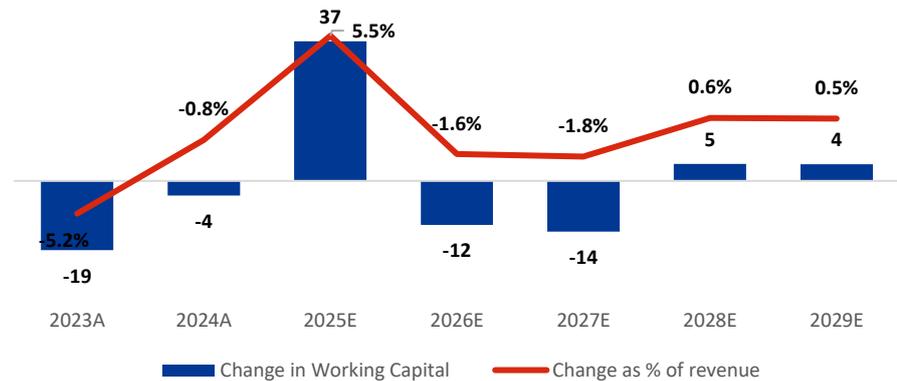
Source: Company Information, FAB Securities Research 2025E-29E

### Working Capital

EDC's working capital comprises inventories, trade and other receivables, trade and other payables due from related parties, and due to related parties. The Company's working capital investment stood at AED 4 Mn in FY2024. The Company's receivable days stood at 33 days and 32 days in FY2023 and FY2024, respectively. The payable days stood at 266 and 255 days during FY2023 and FY2024, respectively. We anticipate receivables days to average 30 days and payable days to average 215 days during FY2025-29. EDC's inventory days stood at a negligible number of days, which stands at 4 days and 2 days in FY2023 and FY2024, respectively. We project inventory days to average 2 days during FY2025-29. We further project the Company to generate a cumulative cash inflow of AED 21 Mn from working capital during FY2025-29.

We anticipate EDC to generate a cumulative cash inflow of AED 21 Mn from working capital during FY2025-29

**Figure 23: Net Working Capital (AED, Mn) and % of Revenue**



Source: Company Information, FAB Securities Research 2025E-29E

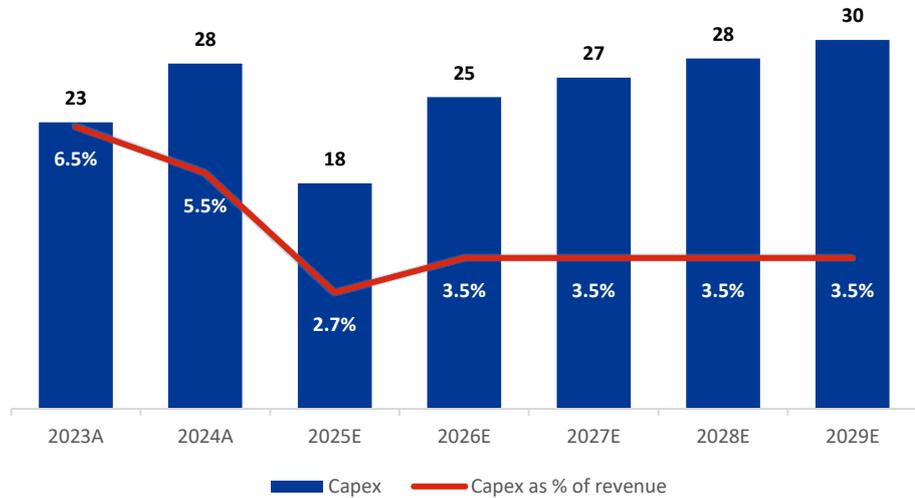
### Capital Expenditure

EDC maintains strong cash reserves, which it plans to deploy for both organic growth and strategic acquisitions. The Company incurred capex of AED 23 Mn and AED 28 Mn in FY2023 and FY2024 (excluding acquisition of Excellence), respectively. EDC paid AED 118 Mn in order to acquire its subsidiary, Excellence Premier Investments, in July 2024, to achieve its ambitious inorganic expansion goals. The Company is expected to incur a capital expenditure of AED 15 Mn to expand in Zaid city, Abu Dhabi in FY2025. Total capital expenditure is projected to be AED 18 Mn in FY2025. EDC plans to expand its operations beyond Abu Dhabi

The Company is expected to incur a cumulative capex of AED 129 Mn during FY2025-29

through organic and inorganic expansion. Thus, we expect the company to incur a cumulative capex of AED 129 Mn during FY2025-29.

**Figure 24: Capital Expenditure<sup>1</sup> (AED, Mn)**



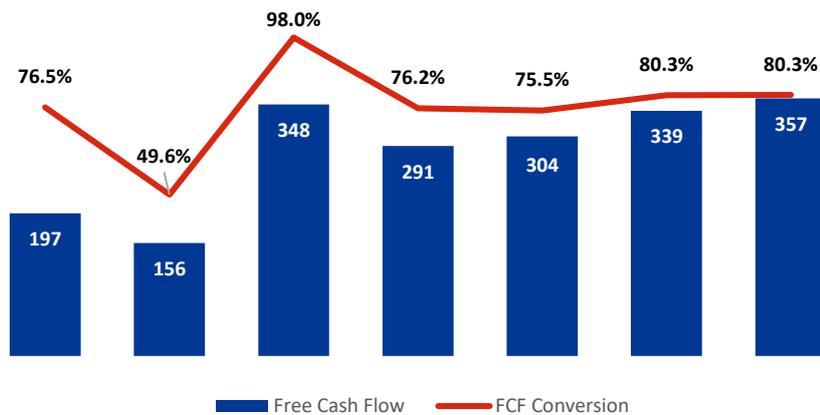
Source: Company Information, FAB Securities Research 2025E-29E, Capex = (Investment into PPE and Intangible Assets), <sup>1</sup>Excluding the acquisition of Excellence

### Cash Flow Generation

**EDC is expected to generate a cumulative free cash flow of AED 1,639 Mn during FY2025-29**

EDC generated positive free cash flow (FCF) of AED 197 Mn and AED 156 Mn in FY2023 and FY2024, respectively, while the FCF conversion stood at 76.5% in FY2023 and 49.6% in FY2024. The lower free cash flow conversion rate in FY2024 is attributed to higher capex for acquiring its subsidiary, Excellence. EDC is expected to generate strong free cash flow over the forecast period, driven by projected healthy operating cash inflows. It is expected to generate a cumulative free cash flow of AED 1,639 Mn during FY2025-29. EDC is also projected to generate an average operating cash flow of AED 328 Mn in FY2025-29. We expect the FCF conversion ratio to average 82.1% during FY2025-29.

**Figure 25: Free Cash Flows<sup>1</sup> & Conversion<sup>2</sup> (AED, Mn)**



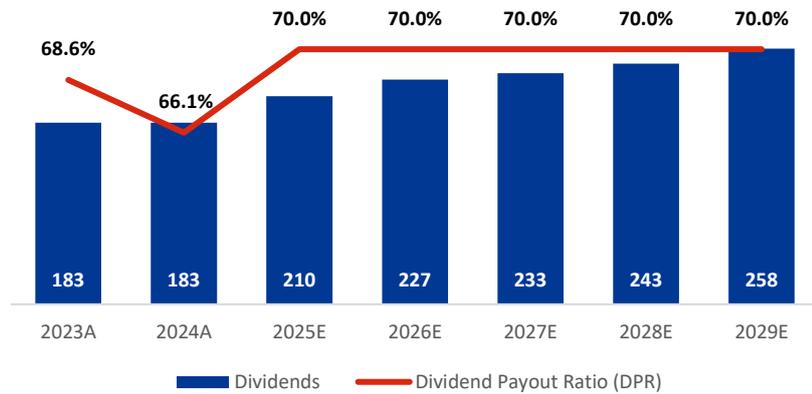
Source: Company Information, FAB Securities Research 2025E-29E, <sup>1</sup>Free cash flow = Cash flow from operations – Capex on PPE, <sup>2</sup>FCF conversion ratio = FCF / Calculated EBITDA

EDC is expected to pay a cumulative dividend of AED 1.2 Bn for the period of FY2025-29

### Dividends

EDC consistently pays high dividends to its shareholders, reflecting its strong financial performance and commitment to rewarding investor confidence. EDC paid a dividend of AED 183 Mn for the period of FY2023 and declared the same amount for the period of FY2024. The Company’s Dividend Payout Ratio (DPR) stood at 68.6% for FY2023 and 66.1% for FY2024. We expect EDC to maintain a DPR of 70% during the forecasted period, translating to a cumulative dividend of AED 1.2 Bn for FY2025-29. EDC intends to fund its dividend payments from its strong cash balance, demonstrating prudent financial management and sustainable shareholder returns.

**Figure 26: Dividends (AED, Mn) and Dividend Payout Ratio (%)**



Source: Source: Company Information, FAB Securities Research 2025E-29E

## Financial Statements:

### Income Statement, (AED, Mn)

	2023A	2024A	2025E	2026E	2027E	2028E	2029E
<b>Revenue</b>	<b>356</b>	<b>513</b>	<b>678</b>	<b>723</b>	<b>769</b>	<b>813</b>	<b>856</b>
Direct costs	(74)	(153)	(243)	(257)	(272)	(287)	(301)
<b>Gross Profit</b>	<b>282</b>	<b>359</b>	<b>435</b>	<b>466</b>	<b>497</b>	<b>526</b>	<b>555</b>
G&A expenses	(82)	(110)	(131)	(135)	(145)	(154)	(161)
Net gain from financial assets at fair value through profit or loss	5	16	4	4	5	5	5
Change in fair value of investment property	16	-	-	-	-	-	-
Rental income (net)	5	6	-	-	-	-	-
Dividend income from financial assets at fair value through other comprehensive income	1	-	-	-	-	-	-
Other Income	13	9	29	23	10	11	11
<b>Operating profit</b>	<b>239</b>	<b>280</b>	<b>337</b>	<b>358</b>	<b>368</b>	<b>388</b>	<b>409</b>
<b>EBITDA</b>	<b>258</b>	<b>315</b>	<b>355</b>	<b>381</b>	<b>403</b>	<b>423</b>	<b>444</b>
Finance income	31	35	37	46	48	46	51
Finance costs	(3)	(4)	(7)	(8)	(8)	(8)	(9)
<b>Profit / (loss) before tax</b>	<b>267</b>	<b>310</b>	<b>367</b>	<b>397</b>	<b>408</b>	<b>425</b>	<b>451</b>
Income tax expense	-	(28)	(55)	(59)	(61)	(64)	(68)
<b>Profit / (loss) after tax for the year</b>	<b>267</b>	<b>282</b>	<b>312</b>	<b>337</b>	<b>347</b>	<b>361</b>	<b>384</b>
<b>Profit attributable to:</b>							
Equity holders of the Company	267	277	300	324	333	347	368
Non-controlling interests	0	5	12	13	14	14	15
<b>EPS</b>							
Basic	0.25	0.26	0.29	0.31	0.32	0.34	0.36
Diluted	0.25	0.26	0.29	0.31	0.32	0.34	0.36
<b>Shares outstanding</b>							
Basic	1,077	1,077	1,077	1,077	1,077	1,077	1,077
Diluted	1,077	1,077	1,077	1,077	1,077	1,077	1,077

Source: Company Information, FAB Securities research (2025E-29E)

**Key Ratios:**

	2023A	2024A	2025E	2026E	2027E	2028E	2029E
<b>YOY % Change</b>							
Revenue	4.8%	44.2%	32.2%	6.7%	6.3%	5.7%	5.3%
Gross Profit	1.9%	27.6%	20.9%	7.2%	6.8%	5.8%	5.4%
EBITDA	-3.2%	22.1%	12.8%	7.3%	5.6%	5.0%	5.1%
Net profit	5.4%	3.8%	8.1%	8.0%	2.8%	4.2%	6.2%
<b>% Margin</b>							
Gross Profit	79.2%	70.1%	64.1%	64.4%	64.7%	64.7%	64.8%
EBITDA	72.5%	61.4%	52.4%	52.7%	52.4%	52.0%	51.9%
EBIT	67.2%	54.6%	49.7%	49.5%	47.8%	47.7%	47.8%
Net profit margin	75.1%	54.0%	44.2%	44.8%	43.3%	42.7%	43.0%
<b>Return ratios</b>							
ROE	23.2%	22.4%	22.2%	22.1%	21.2%	20.6%	20.3%
ROA	29.3%	25.9%	24.8%	20.2%	18.5%	18.0%	18.0%
ROCE	19.9%	18.5%	20.5%	20.1%	19.3%	19.0%	18.7%
<b>Free Cash Flow</b>							
Free cash flow (FCF)	197	156	348	291	304	339	357
FCF conversion <sup>1</sup>	76.5%	49.6%	98.0%	76.2%	75.5%	80.3%	80.3%

Source: Company Information, FAB Securities research (2025E-29E), <sup>1</sup>Free cash flow = Cash flow from operations – Capex on PPE

**Balance Sheet (AED, Mn)**

	2023A	2024A	2025E	2026E	2027E	2028E	2029E
<b>Assets</b>							
<b>Non-current assets</b>							
Property, Plant and Equipment	217	282	267	260	255	252	251
Intangible assets	5	280	281	282	283	284	285
Right-to-use assets	40	85	85	84	84	84	84
Deferred tax assets	-	-	-	-	-	-	-
Financial assets at fair value through OCI	37	-	-	-	-	-	-
Investment properties	164	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>463</b>	<b>648</b>	<b>633</b>	<b>627</b>	<b>622</b>	<b>620</b>	<b>619</b>
<b>Current assets</b>							
Inventories	1	1	2	2	2	2	2
Trade and other receivables	32	44	62	66	69	55	59
Due from related parties	0	1	2	2	2	2	2
Financial assets at fair value through profit or loss	77	85	90	94	99	104	109
Assets held for sale	-	164	66	-	-	-	-
Bank deposits	250	612	723	853	1,006	1,187	1,401
Cash and cash equivalents	434	109	308	372	333	293	232
<b>Total current assets</b>	<b>794</b>	<b>1,018</b>	<b>1,244</b>	<b>1,381</b>	<b>1,504</b>	<b>1,653</b>	<b>1,815</b>
<b>Total assets</b>	<b>1,257</b>	<b>1,665</b>	<b>1,877</b>	<b>2,008</b>	<b>2,127</b>	<b>2,273</b>	<b>2,434</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
Share capital	90	539	539	539	539	539	539
Statutory reserve	45	73	73	73	73	73	73
General reserve	45	73	73	73	73	73	73
Cumulative changes in fair value	23	-	-	-	-	-	-
Contributed capital	-	-	-	-	-	-	-
Retained earnings	947	552	668	782	888	1,002	1,128
Non-controlling interests	-	116	128	142	156	170	185
<b>Total Equity</b>	<b>1,150</b>	<b>1,351</b>	<b>1,480</b>	<b>1,607</b>	<b>1,728</b>	<b>1,856</b>	<b>1,997</b>
<b>Non-current liabilities</b>							
Employees' end of service benefits	9	13	15	18	20	23	25
Contingent consideration	-	41	41	41	41	41	41
Deferred tax liabilities	-	18	18	18	18	18	18
Lease liabilities	41	88	92	96	101	105	110
<b>Total non-current liabilities</b>	<b>50</b>	<b>161</b>	<b>167</b>	<b>174</b>	<b>180</b>	<b>188</b>	<b>195</b>
<b>Current liabilities</b>							
Due to related parties	0	12	1	1	1	1	2
Current tax liabilities	-	-	-	-	-	-	-
Income tax payable	-	28	55	59	61	64	68
Trade and other payables	54	107	167	159	149	157	165
Lease liabilities	4	6	7	7	7	8	8
Liabilities associated to held for sale	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>58</b>	<b>153</b>	<b>230</b>	<b>227</b>	<b>219</b>	<b>230</b>	<b>243</b>
<b>Total liabilities</b>	<b>108</b>	<b>314</b>	<b>397</b>	<b>400</b>	<b>399</b>	<b>417</b>	<b>437</b>
<b>Total equity and liabilities</b>	<b>1,257</b>	<b>1,665</b>	<b>1,877</b>	<b>2,008</b>	<b>2,127</b>	<b>2,273</b>	<b>2,434</b>

Source: Company Information, FAB Securities research (2025E-29E)

**Cash Flow Statement (AED, Mn)**

	2023A	2024A	2025E	2026E	2027E	2028E	2029E
<b>Cash flows from operating activities</b>							
<b>Profit before tax</b>	<b>267</b>	<b>310</b>	<b>367</b>	<b>397</b>	<b>408</b>	<b>425</b>	<b>451</b>
<b>Adjustments for:</b>							
Depreciation of property, plant and equipment	17	28	30	29	28	28	27
Depreciation of right-of-use assets	1	3	4	4	4	4	4
Amortisation of intangible assets	1	3	2	3	3	3	4
Other income	-	(1)	-	-	-	-	-
Change in fair value of investment properties	(16)	-	-	-	-	-	-
Loss (gain) on disposal of property, plant and equipment	(1)	0	-	-	-	-	-
Loss (gain) on disposal of assets classified as held for sale	-	-	(18)	(12)	-	-	-
Unrealised gain on financial assets at fair value through profit or loss	(3)	(12)	(4)	(4)	(5)	(5)	(5)
Provision for employees' end of service benefits	2	2	3	4	4	4	4
Provision for expected credit losses	0	-	-	-	-	-	-
Dividend income	(2)	(2)	-	-	-	-	-
Finance income	(31)	(35)	(37)	(46)	(48)	(46)	(51)
Finance cost (on lease liabilities)	3	4	7	8	8	8	9
Income tax paid	-	-	(28)	(55)	(59)	(61)	(64)
<b>Operating cash flows before changes in working capital and payment of employees' end of service benefits</b>	<b>238</b>	<b>303</b>	<b>326</b>	<b>325</b>	<b>342</b>	<b>361</b>	<b>380</b>
<b>Changes in working capital:</b>							
Inventories	(0)	(0)	(1)	(0)	(0)	(0)	(0)
Trade and other receivables	(2)	(7)	(11)	(4)	(4)	(4)	(4)
Due from related parties	-	(1)	(0)	(0)	(0)	(0)	(0)
Trade and other payables	(16)	4	60	(8)	(10)	8	8
Due to related parties	-	0	(11)	0	0	0	0
<b>Cash generated from operations</b>	<b>220</b>	<b>299</b>	<b>364</b>	<b>313</b>	<b>328</b>	<b>365</b>	<b>384</b>
Payment of employees' end of service benefits	(0)	(1)	(1)	(1)	(1)	(1)	(2)
<b>Net cash flow from operating activities</b>	<b>219</b>	<b>298</b>	<b>363</b>	<b>312</b>	<b>327</b>	<b>364</b>	<b>382</b>
<b>Cash flow from investing activities</b>							
Net cash paid on a acquisition of a subsidiary	-	(118)	-	-	-	-	-
Additions to property, plant and equipment	(22)	(24)	(15)	(22)	(23)	(24)	(26)
Purchase of financial assets at fair value through profit or loss	(28)	(8)	-	-	-	-	-
Proceed from sales of financial assets at fair value through profit or loss	14	11	-	-	-	-	-
Addition to investment properties	-	-	-	-	-	-	-
Finance income received	18	40	37	46	48	46	51
Purchase of intangible assets	(1)	(4)	(3)	(4)	(4)	(4)	(4)
Proceeds from sale of financial assets at fair value through OCI	-	29	-	-	-	-	-
Proceeds from disposal of property and equipment	1	-	-	-	-	-	-
Proceeds from disposal of assets held for sale, net of cash disposed-off	-	-	116	78	-	-	-
Dividends received	2	2	-	-	-	-	-

Movement in term deposits with original maturities greater than three months	(150)	(362)	(110)	(130)	(153)	(181)	(214)
<b>Net cash used in investing activities</b>	<b>(166)</b>	<b>(434)</b>	<b>25</b>	<b>(31)</b>	<b>(132)</b>	<b>(164)</b>	<b>(193)</b>
<b>Cash flow from financing activities</b>							
Proceeds from bank borrowings net of arrangement fee	-	-	-	-	-	-	-
Repayment of bank borrowings	-	-	-	-	-	-	-
Contingent liabilities paid	-	-	-	-	-	-	-
Dividends paid	(90)	(183)	(183)	(210)	(227)	(233)	(243)
Lease payments – Principal	(4)	(6)	(7)	(7)	(7)	(8)	(8)
Finance costs paid	-	-	-	-	-	-	-
<b>Net cash generated from financing activities</b>	<b>(94)</b>	<b>(189)</b>	<b>(190)</b>	<b>(217)</b>	<b>(234)</b>	<b>(240)</b>	<b>(251)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(41)</b>	<b>(325)</b>	<b>198</b>	<b>64</b>	<b>(39)</b>	<b>(41)</b>	<b>(61)</b>
<b>Cash and cash equivalent at the beginning of the period</b>	<b>475</b>	<b>434</b>	<b>109</b>	<b>308</b>	<b>372</b>	<b>333</b>	<b>293</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>434</b>	<b>109</b>	<b>308</b>	<b>372</b>	<b>333</b>	<b>293</b>	<b>232</b>

Source: Company Information, FAB Securities research (2025E-29E)

## FAB Securities Contacts:

---

### Research Analysts

Ahmad Banihani +971-2-6161629 [ahmad.banihani@Bankfab.com](mailto:ahmad.banihani@Bankfab.com)

### Sales & Execution

Trading Desk Abu Dhabi Head Office +971-2-6161777 Online Trading Link  
Trading Desk Dubai DFM Branch +971-4-5659593  
Institutional Desk +971-4-5658395  
Sales and Marketing +971-2-6161622

### Customer Service

Abu Dhabi Office +971-2-6161600

---

### DISCLAIMER

This report has been prepared by FAB Securities (FABS), which is authorized 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 realize in cash. Some investments discussed in this report could be characterized 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, utilized, 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.