

UAE Consumers Sector

Steady Sector Fundamentals Amid Softening Discretionary Demand

Sector Weighting:
MARKET WEIGHT

Amid prevailing market conditions, we highlight Emirates Driving Company (EDC) and Americana Restaurants International PLC as our top picks within the UAE consumer sector, supported by strong earnings visibility, resilient operating models, and well-defined growth strategies. EDC is anchored by its ongoing scale-up through the Mwasalat Holdings acquisition, with the company targeting a majority stake by 2026, thereby expanding its footprint across public transport, leasing, and insurance, and enhancing medium-term earnings diversification. The company is also progressing on strategic investments in EV charging infrastructure under a PPP model, alongside broader digital transformation initiatives, positioning it for long-term growth, although with limited near-term earnings contribution. Operational momentum remains robust, with student volumes increasing to 186K in 2025 from 143K in 2024, while expectations of continued growth in 2026 driven by volume expansion, acquisitions, and operational efficiencies. EDC is further leveraging AI-led transformation, digitalization, geographic expansion, and new service offerings to drive organic growth and improve customer experience. Financial flexibility remains strong, supported by a healthy balance sheet and disciplined capital allocation, with partial funding of the Mwasalat acquisition through Murabaha financing complemented by prudent leverage. Overall, EDC offers a compelling combination of dividend yield, inorganic growth, and long-term mobility exposure, underpinned by strong execution capabilities. Meanwhile, Americana continues to demonstrate solid expansion and operational resilience, adding 159 net new stores in 2025, taking its total footprint to 2,749 outlets across 12 markets, while maintaining a disciplined focus on high-return geographies. The company is actively diversifying beyond international brands through the acquisition of Malak Al-Tawouk franchisees, securing long-term franchise rights across MENA and CIS, alongside new partnerships such as Carpo, supporting incremental growth opportunities. Operational efficiency remains a key priority, with margins supported by lower discounting and selective price increases. In parallel, the company is scaling its digital ecosystem, with over 2,700 kiosks and a unified platform covering 15 Mn customer profiles, enabling data-driven monetization and enhanced customer engagement. Geographically, core markets such as the UAE, Kuwait, and Qatar have largely recovered to pre-boycott levels, while Egypt is emerging as a key growth driver amid improving macro conditions. Looking ahead, Americana is shifting its focus toward margin optimization, digital monetization, and portfolio efficiency, with guidance for mid-single-digit LFL growth and 120–130 new store openings in 2026. Strong supply chain visibility and easing delivery cost pressures further support the earnings outlook.

The consumer sector in the UAE continues to be supported by strong macroeconomic fundamentals, although near-term dynamics are increasingly shaped by geopolitical developments. Real GDP is estimated to grow by 5.6% in 2025 and remain broadly stable in 2026, underpinned by solid momentum in non-hydrocarbon sectors such as financial services, manufacturing, and construction, alongside a recovery in hydrocarbon output following recent OPEC+ quota increases. Inflation remains relatively contained, with CPI rising 1.3% YOY in 2025, supported by deflation in transport and textiles as well as stable food prices, while the central bank projects inflation at 1.8% in 2026 and 2.0% in 2027. Business activity also remains robust, as reflected in PMI levels staying well above the neutral threshold, supported by strong new orders and demand conditions. Additionally,

sustained growth in tourism and aviation, driven by rising passenger volumes, enhanced connectivity, and expanding hospitality offerings, continues to support broader economic activity and reinforces the country’s diversification agenda, creating a favourable operating environment for the consumer sector.

However, the ongoing conflict has introduced a degree of caution into consumer behaviour, leading to a shift toward more defensive spending patterns. A significant proportion of households are prioritizing savings and reducing discretionary expenditure, resulting in a slowdown across categories such as electronics, apparel, and home furnishings. The impact is more pronounced in luxury retail, particularly in Dubai, where both resident and tourist demand for high-value purchases has softened. At the same time, rising fuel costs and broader input price pressures are beginning to weigh on disposable incomes, prompting a reallocation of spending toward essential goods. This reflects a moderation in demand rather than a structural decline, with essential consumption remaining relatively resilient. In response, a coordinated effort from both public and private sector participants is underway to mitigate the impact on consumers and businesses. Initiatives focused on enhancing liquidity, reducing operating costs, and supporting small and medium enterprises include rent support, reduced commissions, increased digital visibility, and access to high-footfall retail spaces, alongside financial relief measures such as payment deferrals and preferential financing. These measures are aimed at sustaining demand, supporting business continuity, and preserving overall sector stability amid a challenging external environment.

Stocks	Target Price	CMP	Gain	Rating	P/E ¹	EV/EBITDA ¹	Dividend Yield ¹
ADNH Catering PLC	1.30	0.682	+90.6%	BUY	8.53	5.85	12.3%
Agthia Group PJSC	5.70	3.7	+54.1%	BUY	9.89	9.03	6.2%
Americana Restaurants	2.50	1.91	+30.9%	BUY	16.69	5.84	4.7%
Emirates Driving Company	4.50	3.14	+43.3%	BUY	8.99	6.57	6.8%
Lulu Retail Holdings PLC	1.50	1.04	+44.2%	BUY	12.77	3.90	7.3%
Talabat Holding PLC	1.30	0.842	+54.4%	BUY	16.65	9.50	5.2%

Source: FABS Estimate, ¹Data refers to FY2026

Key Developments in the Consumer Sector

Diverging food inflation trends across UAE, Saudi Arabia, and Egypt

Food inflation dynamics remain divergent across key regional markets, with relatively subdued trends in the UAE, moderate pressures in Saudi Arabia, and elevated inflation in Egypt. In the UAE, headline CPI increased from 1.1% YOY in 3Q25 to 1.9% in 4Q25, driven by transport prices exiting deflation alongside continued upward pressure from housing and household-related categories, while food and beverages inflation remained relatively contained, rising modestly to 0.8% from -0.2% in the previous quarter. The central bank has maintained its 2026 inflation forecast at 1.8%, remaining below global averages, with a gradual uptick to 2.0% expected in 2027, supported by steady domestic demand and evolving external cost dynamics. In contrast, Saudi Arabia's inflation rose to 2.0% YOY in 4Q25, largely driven by increases in housing and utility costs, while Egypt continues to face significantly higher inflationary pressures, with core inflation rising to 12.7% in February 2026, supported by increases in education and core food prices; notably, monthly food inflation accelerated to 2.8%, contributing meaningfully to headline inflation. Across the region, cost pressures are gradually building along the value chain, with higher fuel, freight, and insurance costs feeding into essential categories, particularly food, thereby tightening household budgets and reinforcing a more value-conscious consumption pattern. While businesses have partially absorbed these pressures to date, a more visible pass-through is expected as elevated input costs progressively impact supply chains, suggesting a gradual erosion in purchasing power and potential softness in demand if conditions persist. Importantly, the inflationary impact is likely to be phased rather than immediate, as near-term price stability, supported by policy measures and cost absorption, gives way to broader inflationary pressures over time, driven by energy market dynamics and logistical disruptions. This delayed transmission is expected to keep consumer sentiment cautious in the near term, with downside risks to consumption emerging more clearly over the medium term.

Resilient Tourism & Aviation Growth Facing Near-Term Geopolitical Pressures

Tourism and aviation continue to be key pillars of non-oil economic growth in the UAE, supported by strong demand momentum and record traffic levels. In 2025, Zayed International Airport drove growth in Abu Dhabi, with total passenger traffic across the emirate's airports surpassing 33 Mn, while Dubai International Airport recorded a historic high of 95.2 Mn passengers, supported by sustained year-round demand and rising international connectivity. The hospitality sector also maintained a strong trajectory, with Dubai attracting 19.6 Mn international overnight visitors in 2025, alongside improved hotel occupancy levels of 80.7%, reflecting continued strength in tourism flows. Regionally, Saudi Arabia's hospitality sector also demonstrated stable to improving demand conditions, with hotel occupancy reaching 57% in 4Q25, supported by continued growth in tourism infrastructure and visitor inflows. At the same time, ADR declined SAR 389 in 4Q25 while RevPAR saw a marginal decline, indicating that higher occupancy levels largely offset pricing pressures and supported overall revenue resilience. However, the ongoing conflict is beginning to weigh on the travel ecosystem across the UAE and broader GCC, with airspace disruptions and weaker travel sentiment impacting tourism flows. Tourist arrivals across the GCC are projected to decline, implying potential revenue losses of up to USD 32 Bn. At the same time, the aviation sector is facing rising cost pressures due to higher fuel prices and flight rerouting, which are expected to weigh on margins. In response, UAE authorities are implementing targeted support measures for the tourism sector,

including fee deferrals, liquidity support, and broader stimulus initiatives to sustain operations. Overall, while underlying fundamentals remain strong, the sector faces near-term headwinds from demand moderation and cost inflation, partially mitigated by policy support measures aimed at preserving stability.

Regional PMI Trends Signal Moderating Activity with UAE Resilience Amid Broader Slowdown

Business activity across the region has moderated amid the ongoing conflict, although underlying trends remain mixed across markets. In the UAE, the S&P Global PMI declined from 55.0 in February 2026 to 52.9 in March 2026, remaining above the 50 threshold and indicating continued expansion in non-oil business activity, though at a slower pace. The moderation was primarily driven by supply chain disruptions, higher freight and insurance costs, and softer demand conditions linked to geopolitical uncertainty. Despite this, companies reported resilient sales pipelines and ongoing project execution, suggesting that underlying demand remains intact. Sectorally, tourism, retail, and logistics were most impacted, while construction and technology showed relatively better resilience. Input cost pressures intensified due to higher prices for fuel, energy, logistics, and raw materials, while delays in procurement, intensified by disruptions in key shipping routes, led to rising backlogs and a drawdown in inventories. Purchasing activity also slowed, reflecting a more cautious operating environment. Dubai's PMI eased from 54.6 in February 2026 to 53.2 in March 2026, marking the slowest expansion in nine months, with growth in output and new business moderating amid supply chain disruptions and rising cost pressures. Firms reported longer delivery times and challenges in securing inputs, contributing to a decline in inventory levels. In contrast, Saudi Arabia witnessed a sharper deterioration, with PMI falling from 56.1 to 48.8 in March 2026, indicating a contraction in non-oil business activity. This decline was driven by delayed client spending, weaker consumer confidence, and a slowdown in new and export orders amid regional instability. Supply chain disruptions and shipping delays further weighed on operations, although input cost inflation moderated slightly due to easing wage pressures. Meanwhile, in Egypt, PMI declined from 48.9 in February 2026 to 48.0 in March 2026, signaling a continued contraction in business activity. The downturn was driven by weaker demand and rising input costs, particularly for materials affected by the conflict, with firms reporting the sharpest increase in cost pressures since late 2024. Overall, the regional PMI trends indicate a broad-based slowdown in business activity, with the UAE remaining relatively resilient compared to deeper contractions in Saudi Arabia and Egypt, while supply chain disruptions and cost inflation continue to weigh on operating conditions.

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1Q26 preview: **ADNH Catering PLC (ADNHC)**

Strong growth from food service segment to boost topline

Current Price	Target Price	Upside/Downside (%)	Rating
AED 0.682	AED 1.30	+91%	BUY

1Q26 estimate

ADNH Catering (ADNHC / the Company) is projected to report an 8.9% YOY increase in net profit to AED 43 Mn in 1Q26. The increase in net profit is primarily attributed to an anticipated increase in revenue and lower net finance expenses, partially offset by a forecasted rise in cost of sales, G&A expenses, and a higher impairment loss of trade receivables. Revenue is projected to rise 13.8% YOY to AED 467 Mn in 1Q26, driven by an increase in food services and support services revenue. Food services segment is expected to grow 21.0% YOY to AED 305 Mn in 1Q26, while revenue from Support Services segment is anticipated to expand 2.3% YOY to AED 161 Mn in 1Q26. On the other hand, the cost of revenue is expected to rise 13.4% YOY to AED 387 Mn in 1Q26. Consequently, gross profit is likely to increase 15.8% YOY to AED 80 Mn in 1Q26. Gross profit margin is anticipated to improve to 17.1% in 1Q26, compared to 16.8% in 1Q25. G&A expenses are projected to increase 23.6% YOY to AED 30 Mn in 1Q26. The Company is expected to record net finance expense of AED 0.2 Mn in 1Q26 compared to AED 0.8 Mn in 1Q25. The Company's impairment losses on trade receivables are expected to increase to AED 2 Mn in 1Q26 from AED 1 Mn in 1Q25. Moreover, ADNHC's EBITDA is estimated to increase 8.3% YOY to AED 65 Mn in 1Q26. Likewise, EBITDA margin is expected to decline 70 bps YOY to 13.8% in 1Q26. Whereas, income tax expense is estimated to increase 13.3% YOY to AED 4 Mn in 1Q26.

2026 forecast

We estimate ADNHC's net profit to rise marginally by 2.1% YOY to AED 178 Mn in 2026, driven by an anticipated increase in revenue, decline in net finance expenses, and impairment loss, partially offset by forecasted rise in cost of sales, G&A exp, & income tax expenses coupled with lower other income. Revenue is anticipated to grow 5.7% YOY to AED 1,843 Mn in 2026, supported by expected increases in revenue across Food Services and Support Services segments. Revenue from food services segment is anticipated to grow 6.0% YOY to AED 1,191 Mn in 2026. Similarly, revenue from Support Services Segment is projected to rise 5.2% YOY to AED 652 Mn in 2026. On the other hand, cost of sales is forecasted to increase 5.1% YOY to AED 1,523 Mn in 2026. Thus, gross profit is likely to increase 9.1% YOY to AED 321 Mn in 2026. Gross profit margin is expected to improve from 16.9% in 2025 to 17.4% in 2026. Moreover, G&A expenses are anticipated to increase 20.3% YOY to AED 115 Mn in 2026. Net finance cost is projected to decline to AED 1 Mn in 2026, compared to AED 4 Mn in 2025. The Company is expected to generate other income of AED 1 Mn in 2026, compared to AED 4 Mn in 2025. Impairment loss of trade receivables is projected to decline 65.7% YOY to AED 7 Mn in 2026. The Company's EBITDA is forecasted to marginally rise 0.5% YOY to AED 265 Mn in 2026. Whereas, EBITDA margin is likely to decrease 75 bps YOY to 14.4% in 2026. Share of profit from joint venture is likely to be AED 1 Mn in 2026. Income tax expense is expected to increase 10.4% YOY to AED 18 Mn in 2026.

4Q25 outturn

ADNHC's revenue grew 8.0% YOY to AED 479 Mn in 4Q25, primarily driven by an increase in revenue from food services due to consolidation of Compass Arabia, partially offset by lower support services. Revenue from the food services segment increased 15.7% YOY to AED 332 Mn in 4Q25, driven by increasing number of contracts and the recent acquisition of Compass Arabia and Food Nation, constituting 69.4% of total revenue. The Company's support services segment revenue fell 6.2% YOY to AED 147 Mn and contributed 30.6% of total revenue during 4Q25. Cost of sales also increased 9.4% YOY to AED 402 Mn in 4Q25. Thus, gross profit increased 1.3% YOY to AED 77 Mn in 4Q25. However gross profit margin decreased from 17.1% in 4Q24 to 16.1% in 4Q25, mainly due to higher

growth in direct cost compared to revenue. G&A expenses increased 27.5% YOY to AED 23 Mn in 4Q25. Net finance expense increased from AED 0.9 Mn to AED 1.0 Mn 4Q25 in 4Q24, due to lower finance income and higher finance cost. ADNHC's EBITDA increased 13.8% YOY to AED 76 Mn in 4Q25, with the EBITDA margin fell 101 bps YOY to 15.8% in 4Q25. Additionally, the Company recorded an impairment reversal of AED 3 Mn in 4Q25, compared to loss of AED 9 Mn in 4Q24. Moreover, Income tax charge increased from AED 4.3 Mn in 4Q24 to AED 4.4 Mn in 4Q25.

Target price and recommendation

We maintain a BUY rating on ADNHC Catering PLC with a target price of AED 1.30. ADNHC reported a 15.7% YOY increase in net profit in 4Q25, primarily driven by higher revenue supported by the recent acquisitions and reversal of impairment losses, coupled with steady operating performance. Growth and scale remain a core strategic focus for the Company, supported by strong client retention. During 2025, the Company secured 88 new contracts in the UAE, partially offset by 12 contract losses. The strong win rate was supported by a targeted sales process and data-driven market analytics. Retained contracts further accounted for 98.2% of annual revenues in 2025, exceeding the Company's 95% retention target, providing strong earnings visibility and underpinning confidence in the sustainability of revenues. The contract additions were supported by continued new business wins, coupled with strong service quality and client relationship management, reflecting the Company's focus on securing new business and maintaining key client relationships. The Company's operating model benefits from long-term client contracts and high contract retention levels, coupled with service delivery through on-site kitchens or centralized hubs depending on client requirements. ADNHC further increased ownership stake in Compass Arabia from 30% to 50% through signing the Sale and Purchase Agreement ("SPA"), resulting in the entity becoming a subsidiary from 31 August 2025, coupled with obtaining operational and management control, with total consideration of c. AED 4.1 Mn paid for the additional stake. Compass Arabia is a specialist provider of world-class catering services and the step-up acquisition is expected to strengthened the Company's presence in the Saudi market and attribute to supporting market share expansion. Following the acquisition, Compass Arabia contributed c. AED 55 Mn to revenue growth during the year and added 25 new contracts to the Company's portfolio. Moreover, the Company continues to focus on organic and inorganic growth and diversification, while supporting growth ambitions through new contracts and acquisitions aimed at increasing market share. Looking ahead, ADNHC is committed to sustainable growth, driven by an expanding regional footprint and deeper presence across core sectors, positioning it well to address evolving client needs and strengthen its leadership position across the region. The Company has approved total dividends of AED 180 Mn for 2025, including AED 90 Mn paid in November 2025 and a further AED 90 Mn approved in April 2026, equivalent to 4 fils per share for 2H25. The Company also plans to pay semi-annual dividends in 2026 that are at least 5% higher than in 2025. Thus, based on our analysis, we assign a BUY rating on the stock.

ADNH Catering PLC – Valuation¹

	2024	2025	2026F
(at CMP)			
P/E (x)	10.11	8.78	8.53
P/B (x)	2.84	2.52	2.52
EV/EBITDA (x)	6.68	5.85	5.85
BVPS	0.243	0.274	0.274
EPS	0.068	0.079	0.081
DPS	0.027	0.080	0.084
Dividend Yield (%)	4.0%	11.7%	12.3%

FABS estimate & Co Data

¹ADNHC Company was listed on ADX in October 2024. Thus, the financial multiple for the prior FY2023 is unavailable.

²Dividend yield for 2024 includes the AED 60 Mn special dividends.

ADNH Catering PLC - P&L

AED Mn	1Q25	4Q25	1Q26F	YOY Ch	QOQ Ch	2025	2026F	YOY Ch
Revenue	410	479	467	13.8%	-2.5%	1,743	1,843	5.7%
Cost of sales	-341	-402	-387	13.4%	-3.7%	-1,449	-1,523	5.1%
Gross Profit	69	77	80	15.8%	3.8%	294	321	9.1%
G&A exp	-25	-23	-30	23.6%	33.0%	-95	-115	20.3%
Net Finance income	-0.8	-1.0	-0.2	-74.6%	-81.3%	-4	-1	-81.6%
Other Income	0	0	0	NM	NM	4	1	-87.3%
Impairment loss of trade receivables	-1	3	-2	97.6%	NM	-21	-7	-65.7%
EBITDA	60	76	65	8.3%	-15.0%	264	265	0.5%
Profit before tax	43	55	48	11.4%	-13.0%	191	199	3.9%
Share of profit from joint venture	0	0	0	5.9%	NM	1	1	44.2%
Income tax expense	-4	-4	-4	13.3%	-1.0%	-16	-18	10.4%
Profit / (loss) after tax	40	51	43	8.9%	-15.1%	175	178	2.1%

FABS estimate & Co Data

ADNH Catering PLC - Margins

	1Q25	4Q25	1Q26F	YOY Ch	QOQ Ch	2025	2026F	YOY Ch
Gross Profit	16.8%	16.1%	17.1%	29	103	16.9%	17.4%	54
EBITDA	14.5%	15.8%	13.8%	-70	-195	15.1%	14.4%	-75
Net Profit	9.6%	10.6%	9.2%	-41	-137	10.0%	9.7%	-35

FABS estimate & Co Data

1Q26 Preview: **Agthia Group PJSC**

Earnings supported by revenue growth amid rising costs and weaker margins

Current Price	Target Price	Upside/Downside (%)	Rating
AED 3.70	AED 5.70	+54%	BUY

1Q26 estimate

Agthia Group (AGTHIA/the Company) is projected to report a 6.9% YOY increase in net profit attributable to equity shareholders to AED 87 Mn in 1Q26. The growth is primarily driven by an anticipated increase in revenue and decline in income tax expenses, partially offset by a projected rise in cost of sales, operating expenses, a lower share of profit from investment in a joint venture, and higher non-controlling interest. The Company's revenue is expected to increase 9.1% YOY to AED 1,401 Mn in 1Q26, supported by the anticipated growth across all business segments. Cost of sales is projected to rise 6.5% YOY to AED 982 Mn in 1Q26. Hence, gross profit is expected to grow 15.8% YOY to AED 419 Mn in 1Q26 with margins anticipated to increase from 28.2% in 1Q25 to 29.9% in 1Q26. S&D expenses are expected to increase 9.5% YOY to AED 161 Mn in 1Q26, while G&A expenses are anticipated to rise 22.1% YOY to AED 112 Mn in 1Q26. R&D costs are projected to increase from AED 2 Mn in 1Q25 to AED 3 Mn in 1Q26. The Company is expected to incur other expense of AED 8 Mn 1Q26, compared to an income of AED 8 Mn 1Q25. The Company's EBITDA is likely to decrease 26.3% YOY to AED 137 Mn in 1Q26, with the EBITDA margin is expected to decline from 14.5% in 1Q25 to 9.8% in 1Q26. Operating profit is expected to increase 4.8% YOY to AED 136 Mn in 1Q26. Finance income is projected to be at AED 3.3 Mn in 1Q26, while finance expense is expected to remain stable at AED 27 Mn in 1Q25 and 1Q26. The share of profit from investment in a joint venture is expected to decrease from AED 2 Mn in 1Q25 to AED 1 Mn in 1Q26. Income tax and zakat expenses are anticipated to decline 18.1% YOY to AED 17 Mn in 1Q26. Additionally, profit attributable to non-controlling interest (NCI) is forecasted to increase from AED 5 Mn in 1Q25 to AED 9 Mn in 1Q26.

2026 forecast

Agthia's net profit attributable to equity shareholders is expected to increase significantly from AED 86 Mn in 2025 to AED 333 Mn in 2026. This growth is primarily driven by the anticipated increase in revenue, other income, finance income, and share of profit from investment in a joint venture, coupled with a decline in S&D expense and G&A expense, partially offset by higher cost of sales, R&D expenses, finance expenses, tax expenses, and NCI. The Company's revenue is projected to increase 8.1% YOY to AED 5,240 Mn in 2026, supported by the expected improvement across all business segments. However, the cost of sales is anticipated to increase 6.9% YOY to AED 3,673 Mn in 2026. Hence, gross profit is also expected to increase 11.2% YOY to AED 1,566 Mn in 2026 with margins increasing 82 bps YOY to 29.9% in 2026. S&D expenses are projected to decline 6.1% YOY to AED 629 Mn in 2026, while G&A expenses are expected to decrease 14.1% YOY to AED 445 Mn in 2026. R&D costs are projected to increase 19.2% YOY to AED 9 Mn in 2026. Other income is anticipated to increase significantly from AED 15 Mn in 2025 to AED 42 Mn in 2026. EBITDA is projected to grow 15.8% YOY to AED 537 Mn in 2026, with the EBITDA margin expected to improve 68 bps YOY to 10.2% in 2026. Operating profit is expected to increase significantly to AED 524 Mn in 2026, as compared to AED 227 Mn in 2025. Finance income is expected to increase 12.4% YOY to AED 13 Mn in 2026, while finance expense is forecasted to rise 2.0% YOY to AED 109 Mn in 2026. The share of profit from investment in a joint venture is expected to increase from AED 2 Mn in 2025 to AED 4 Mn in 2026. Income tax and zakat expenses are projected to increase significantly from AED 34 Mn in 2025 to AED 65 Mn in 2026. Additionally, profit attributable to non-controlling interest (NCI) is anticipated to increase from AED 15 Mn in 2025 to AED 35 Mn in 2026.

4Q25 outturn

AGTHIA's revenue fell 1.6% YOY to AED 1,286 Mn in 4Q25, primarily due to a decline in the Snacking and Agri-Business segment partially offset by an increase in revenue from Protein & Frozen and Water & Food segments. Revenue from the Protein & Frozen segment grew 9.4% YOY to AED 256 Mn in 4Q25, led by strong performance at Nabil. Water & Food segment revenue grew 18.0% YOY to AED 328 Mn in 4Q25, supported by strong bottled water demand in the UAE and contributions from the Riviere acquisition, excluding the Riviere acquisition, the revenue grew 9.1% YOY. Snacking segment revenue fell 18.7% YOY to AED 402 Mn in 4Q25, due to the ongoing reset in the Al Foah dates business and portfolio recalibration at BMB. However, Abu Auf recorded a revenue growth of 12.8% YOY in AED terms. Agri-business revenue declined marginally by 0.2% YOY to AED 299 Mn in 4Q25, amid pricing pressure and intensified competition in the flour market. The Company's direct costs fell 2.7% YOY to AED 896 Mn in 4Q25. Thus, gross profit rose 0.9% YOY to AED 390 Mn in 4Q25, supported by improved gross profits from the Company's Water & Food, Protein & Frozen and Agri-Business segments. Gross profit margin also improved 76 bps YOY to 30.3% in 4Q25. Total EBITDA increased from AED 141 Mn in 4Q24 to AED 146 Mn in 4Q25, with the EBITDA margin improving by 55 bps YOY to 11.4% in 4Q25. Snacking segment EBITDA increased significantly from AED 7 Mn in 4Q24 to AED 40 Mn in 4Q25. Additionally, the segment's underlying EBITDA improved to AED 73 Mn in 4Q25 as operational improvements began to materialize. Protein & Frozen segment EBITDA declined significantly from AED 22 Mn in 4Q24 to AED 12 Mn in 4Q25, primarily due to higher marketing spend, transformation costs, and ramp-up expenses related to the KSA facility. Water & Food Segment EBITDA grew 10.8% YOY to AED 51 Mn in 4Q25. Additionally, Agri-business EBITDA declined 10.8% YOY to AED 50 Mn in 4Q25, driven by higher SG&A expenses. Selling and distribution expenses increased 25.9% YOY to AED 186 Mn in 4Q25, while G&A expense decreased 30.6% YOY to AED 115 Mn in 4Q25. R&D costs increased 4.0% YOY to AED 2 Mn in 4Q25. The Company recorded other expenses of AED 3 Mn in 4Q25, compared to other income of AED 16 Mn in 4Q24. Thus, operating profit decreased 4.3% YOY to AED 83 Mn in 4Q25, and operating profit margin declined 18 bps YOY to 6.5% in 4Q25. Furthermore, finance income decreased from AED 9 Mn in 4Q24 to AED 4 Mn in 4Q25, while finance expenses increased from AED 10 Mn in 4Q24 to AED 27 Mn in 4Q25. Additionally, Agthia recorded tax and zakat charges of AED 13 Mn in 4Q25, compared to AED 15 Mn in 4Q24. The Company's share to noncontrolling interest holders decreased from AED 6 Mn in 4Q24 to AED 3 Mn in 4Q25.

Target price and recommendation

We maintain our BUY rating on Agthia with a target price of AED 5.70. Agthia delivered a mixed performance in 4Q25, with revenue declining 1.6% YOY to AED 1.3 Bn in 4Q25, primarily due to softer pricing and an unfavorable product mix despite higher volumes. However, the Company continues to demonstrate strong underlying growth drivers supported by portfolio strength, innovation, and geographic diversification. On an underlying basis, revenue increased 3.5% YOY, reflecting resilient demand across key segments. Agthia's Water & Food segment remained the key growth driver, recording strong 14.6% YOY revenue growth to AED 1.2 Bn in 2025. On a like-for-like basis, excluding the contribution from Riviere, the segment grew 8.7% YOY, indicating healthy organic momentum. Within this segment, Al Ain Water maintained its leadership position in the UAE bottled water market, supported by expansion in HoReCa channels. Notably, Al Ain crossed a major milestone in 4Q25, becoming Agthia's first Bn-dirham brand with sales reaching AED 1 Bn, reflecting strong brand equity and distribution capabilities. In the Snacking segment, the Company strengthened its portfolio by increasing its stake in Abu Auf from 70% to 80%, while profitability improved significantly in 4Q25, following the operational reset. Abu Auf expanded aggressively in Egypt during 2025, adding 67 new stores and taking its total branded outlet count to over 400 stores, reinforcing Agthia's presence in high-growth consumer markets. The Company also stated that the dates supply issue has been fully resolved, with provisions already recognized. Additionally, Agthia's Protein & Frozen segment recorded a 9.4% YOY increase in revenue in 4Q25. The segment is expected to recover gradually, with high single-digit growth anticipated over the medium term as operational improvements continue. Agthia's flour segment is facing increasing competition and

pricing pressure, with management focusing on specialty flour products and maintaining pricing discipline to protect margins rather than pursuing aggressive volume growth. Strategically, Agthia continues to diversify its revenue base and expand into scalable markets, with c. 47% of revenue now generated from outside the UAE. Innovation remains a key growth pillar, contributing AED 208 Mn in 2025, through new product launches across snacking, coffee, and protein categories, along with refreshed packaging initiatives that enhanced brand visibility and product mix. Digital channels are also gaining traction, with digital revenue reaching AED 309 Mn in 2025, accounting for 6.4% of total sales and growing 20% YOY. On the capital allocation front, Agthia maintained balance sheet discipline with capex tightly controlled at c.2.9% of revenue in 2025 to preserve cash, although investment levels are expected to increase going forward in line with strategic priorities. The Company also ended the year with AED 531 Mn in cash and strong liquidity headroom. Moreover, Agthia's board proposed a full-year dividend of 22.102 fils per share for 2025 recommended a 2H25 dividend of 11.792 fils per share, subject to AGM approval, while maintaining its strategy of growing dividends over time. Thus, based on these factors, we continued to maintain a BUY rating on this stock.

Agthia - Valuation

(at CMP)	2021	2022	2023	2024	2025	2026F
P/E (x)	13.73	12.73	12.04	10.63	36.74	9.89
P/B (x)	1.14	1.12	1.08	1.12	1.20	1.19
EV/EBITDA (x)	9.48	8.19	6.30	6.37	10.01	9.03
BVPS	3.321	3.385	3.501	3.377	3.163	3.174
EPS	0.275	0.297	0.314	0.356	0.103	0.382
DPS	0.165	0.165	0.176	0.210	0.221	0.229
Dividend Yield (%)	4.5%	4.5%	4.8%	5.7%	6.00%	6.2%

FABS estimate & Co Data

Agthia - P&L

AED Mn	1Q25	4Q25	1Q26F	YOY Ch	QOQ Ch	2025	2026F	Change
Revenue	1,284	1,286	1,401	9.1%	9.0%	4,846	5,240	8.1%
Cost of sale	-922	-896	-982	6.5%	9.6%	-3,437	-3,673	6.9%
Gross profit	362	390	419	15.8%	7.5%	1,408	1,566	11.2%
S&D expense	-147	-186	-161	9.5%	-13.4%	-670	-629	-6.1%
G&A expense	-92	-115	-112	22.1%	-2.4%	-518	-445	-14.1%
R&D costs	-2	-2	-3	40.2%	16.8%	-8	-9	19.2%
Other (exp) / inc	8	-3	-8	NM	NM	15	42	NM
Operating expenses	-232	-306	-283	22.0%	-7.5%	-1,181	-1,042	-11.8%
EBITDA	186	146	137	-26.3%	-6.3%	463	537	15.8%
Operating profit	129	83	136	4.8%	62.6%	227	524	NM
Finance income	2.9	4	3.3	13.2%	-18.0%	12	13	12.4%
Finance expense	-27	-27	-27	0.2%	1.0%	-107	-109	2.0%
Share of loss from invest in JV	2	0	1	-33.4%	NM	2	4	91.4%
Profit before tax and zakat	107	61	113	5.6%	85.8%	135	433	NM
Income tax & zakat	-21	-13	-17	-18.1%	27.9%	-34	-65	91.4%
Profit of the year	86	47	96	11.3%	NM	101	368	NM
Non-controlling interest	-5	-3	-9	89.8%	NM	-15	-35	NM
Net Profit	82	44	87	6.9%	97.6%	86	333	NM

FABS estimate & Co Data

Agthia - Margins

	1Q25	4Q25	1Q26F	YOY Ch	QOQ Ch	2025	2026F	Change
Gross Profit	28.2%	30.3%	29.9%	173	-42	29.1%	29.9%	82
Operating Profit	10.1%	6.5%	9.7%	-40	319	4.7%	10.0%	532
EBITDA	14.5%	11.4%	9.8%	-469	-159	9.6%	10.2%	68
Net Profit	6.4%	3.4%	6.2%	-13	279	1.8%	6.4%	459

FABS estimate & Co Data

1Q26 preview: Americana Restaurants International PLC (AMR)

Segmental revenue growth to support bottom-line growth

Current Price	Target Price	Upside/Downside (%)	Rating
AED 1.91	AED 2.50	+31%	BUY

1Q26 estimate

Americana Restaurants (the Company/ Americana) is expected to report a 34.6% YOY increase in net profit attributable to equity shareholders to USD 44 Mn in 1Q26. This growth is primarily driven by an anticipated rise in revenue and other income, partially offset by anticipated growth in COGS, S&M expenses, G&A expenses, finance costs and zakat expenses, coupled with a decline in finance income. The Company's revenue is projected to increase 7.5% YOY to USD 616 Mn in 1Q26, owing to an expected increase in revenue from brands such as KFC, Hardees, Krispy Kreme and "Other" category, while revenue from the Pizza Hut is expected to remain constant. Similarly, COGS is anticipated to increase 4.4% YOY to USD 282 Mn in 1Q26. Consequently, gross profit is expected to grow 10.3% YOY to USD 334 Mn in 1Q26. S&M expenses are expected to increase 7.3% YOY to USD 228 Mn in 1Q26, while G&A expenses are forecasted to rise 2.3% YOY to USD 49 Mn in 1Q26. Furthermore, other income is anticipated to increase marginally 0.3% YOY to USD 6 Mn in 1Q26. As a result, total operating expenses are expected to increase 5.6% YOY to USD 272 Mn in 1Q26. The Company's EBITDA is expected to rise 17.8% YOY to USD 143 Mn in 1Q26, while the EBITDA margin is anticipated to improve 204 bps YOY to 23.3% in 1Q26. As a result, operating profit is likely to surge 36.6% YOY to USD 62 Mn in 1Q26, while the operating profit margin is anticipated to increase 215 bps YOY to 10.1% in 1Q26. Finance income is projected to decrease 24.9% YOY to USD 3 Mn in 1Q26. On the other hand, finance cost is projected to increase 6.5% YOY to USD 11 Mn in 1Q26. Additionally, the zakat charge is forecast to increase 31.2% YOY to USD 10 Mn in 1Q26. The Company's non-controlling interest is anticipated to increase from negative USD 1 Mn in 1Q25 to positive USD 1 Mn in 1Q26.

2026 forecast

We estimate Americana Restaurants' net profit attributable to equity shareholders to rise 13.9% YOY to USD 250 Mn in 2026. This increase is primarily attributed to projected growth in revenue and other income, coupled with a decline in finance costs, partially offset by an expected rise in COGS, S&M expenses, G&A expenses, zakat expense, and non-controlling interest, coupled with a decline in finance income. Americana's revenue is expected to grow 5.7% YOY to USD 2,652 Mn in 2026, driven by growth in revenue across all brands. Meanwhile, COGS is anticipated to rise 5.0% YOY to USD 1,201 Mn in 2026. As a result, gross profit is likely to increase 6.3% YOY to USD 1,451 Mn in 2026. Gross margins are expected to increase 30 bps YOY to 54.7% in 2026. S&M expenses are projected to grow 4.6% YOY to USD 927 Mn in 2026, while G&A expenses are expected to increase 4.8% YOY to USD 212 Mn in 2026. Additionally, other income is anticipated to rise 6.0% YOY to USD 14 Mn in 2026. As a result, total operating expenses are expected to increase 4.0% YOY to USD 1,125 Mn in 2026. EBITDA is forecasted to grow 9.2% YOY to USD 650 Mn, with the EBITDA margin expected to rise 78 bps YOY to 24.5% in 2026. As a result, operating profit is likely to surge 15.3% YOY to USD 326 Mn in 2026, while the operating profit margin is anticipated to rise from 11.3% in 2025 to 12.3% in 2026. Finance income is expected to decrease from USD 16 Mn in 2025 to USD 12 Mn in 2026, while finance costs are expected to fall 1.9% YOY to USD 43 Mn in 2026. Additionally, zakat expenses are projected to increase 15.7% YOY to USD 41 Mn in 2026. Furthermore, non-controlling interest is anticipated to increase from negative USD 1 Mn in 2025 to positive USD 4 Mn in 2026.

4Q25 outturn

Americana restaurant's revenue grew 13.6% YOY to USD 669 Mn in 4Q25, owing to growth in LFL sales driven by brand initiatives and pricing strategies, coupled with new store openings, continued menu innovation, strong brand collaborations, and operational excellence across key markets. It recorded double-digit year-over-year growth across power brands in 4Q25. The Company's cost of goods sold increased 6.7% YOY to USD 292 Mn in 4Q25, while the cost of inventory as a percentage of revenue improved from 29.4% in 4Q24 to 27.1% in 4Q25. As a result, gross profit increased 19.6% YOY to USD 377 Mn in 4Q25, with gross margin expanding 283 bps YOY to 56.4% in 4Q25. Selling & marketing expenses rose 7.2% YOY to USD 224 Mn in 4Q25, with G&A expenses increasing 17.7% YOY from USD 47 Mn in 4Q24 to USD 55 Mn in 4Q25. Thus, total operating expenses rose 3.6% YOY to USD 275 Mn in 4Q25. Moreover, Americana's EBITDA increased 36.2% YOY to USD 181 Mn in 4Q25, with the EBITDA margin expanding 450 bps YOY to 27.1% in 4Q25. Operating profit more than doubled from USD 50 Mn in 4Q24 to USD 102 Mn in 4Q25, with a margin of 15.3%, 682 bps higher on a YOY basis. The Company's finance income increased 7.6% YOY to USD 4 Mn in 4Q25, while finance costs rose 28.0% YOY to USD 12 Mn in 4Q25. Income tax and zakat expenses increased from USD 7 Mn in 4Q24 to USD 10 Mn in 4Q25.

Target price and recommendation

We maintain our BUY rating on Americana Restaurants with a target price of AED 2.50. The Company delivered a strong performance in 4Q25, with revenues growing 13.6% YOY, supported by menu innovation, brand collaborations and solid operational execution across key markets, indicating sustained recovery momentum. The Power Brands portfolio, comprising KFC, Hardee's, Pizza Hut and Krispy Kreme, remained the primary growth driver, contributing 94% of total revenue in 2025, with all brands recording double-digit revenue growth during 4Q25. Profitability improved meaningfully, with gross margin expanding by 283 bps YOY, driven by effective procurement, disciplined pricing and favourable input costs. EBITDA margin increased by 450 bps YOY to 27.1% in 4Q25, reflecting strong operating leverage, while net profit more than doubled compared to 4Q24. The Company also benefits from strong cost visibility into 2026, with most commodity contracts locked in for 6–9 months or the full year. Americana's digital transformation continues to gain traction, with the self-service kiosk revenue mix increasing to 15% in 2025 from 8% in 2024, alongside broader enhancements to its digital ecosystem. The Company also maintained disciplined expansion, opening 216 new stores in 2025 to reach a total of 2,749 restaurants across 12 markets, with a focus on capital-efficient, high-return locations. Geographically, core markets such as the UAE, Kuwait and Qatar have largely recovered, operating at or above pre-boycott levels, supporting overall performance. Capital expenditure stood at USD 125 Mn (c.5.0% of revenues), including the acquisition of the Pizza Hut Oman subsidiary, in line with long-term strategic priorities. The balance sheet remains robust, with zero leverage and a strong cash position. The Company generated free cash flow of USD 209.1 Mn in 2025, with a healthy cash conversion rate of 57.7%, providing ample flexibility to fund future growth initiatives and strategic investments. Thus, based on our analysis, we maintain our BUY rating on the stock.

Americana - Relative Valuation¹

(at CMP)	2022	2023	2024	2025	2026F
PE (x)	16.11	16.10	26.30	19.01	16.69
PB (x)	14.68	9.51	10.58	8.52	8.01
EV/EBITDA (x)	7.29	6.92	8.09	6.29	5.84
BVPS (AED)	0.124	0.191	0.172	0.214	0.227
EPS (AED)	0.113	0.113	0.069	0.096	0.109
DPS (AED)	0.093	0.078	0.055	0.088	0.089
Dividend Yield	4.9%	4.1%	2.9%	4.6%	4.7%

FABS Estimate & Co Data

¹Americana Restaurants was listed in 2022; hence, the previous year's multiples are unavailable.

Americana - P&L

	1Q25	4Q25	1Q26F	YOY Ch.	QOQ Ch.	2025	2026F	Change
USD Mn								
Revenue	573	669	616	7.5%	-7.9%	2,509	2,652	5.7%
COGS	-270	-292	-282	4.4%	-3.3%	-1,144	-1,201	5.0%
Gross Profit	303	377	334	10.3%	-11.5%	1,365	1,451	6.3%
S&M Expenses	-212	-224	-228	7.3%	1.6%	-886	-927	4.6%
G&A Expenses	-48	-55	-49	2.3%	-10.2%	-203	-212	4.8%
Other Income	6	3	6	0.3%	64.4%	13	14	6.0%
Total Operating Exp.	-257	-275	-272	5.6%	-1.2%	-1,082	-1,125	4.0%
EBITDA	122	181	143	17.8%	-21.0%	596	650	9.2%
EBIT	46	102	62	36.6%	-39.1%	283	326	15.3%
Financing income	4	4	3	-24.9%	-22.7%	16	12	-22.7%
Financing cost	-10	-12	-11	6.5%	-13.1%	-44	-43	-1.9%
Profit Before ZAKAT	39	94	54	38.1%	-41.9%	254	295	15.9%
Zakat	-7	-10	-10	31.2%	-2.5%	36	41	15.7%
Net Profit	32	84	45	39.7%	-46.6%	218	253	16.0%
Non-controlling interest	-1	0	1	NM	NM	-1	4	NM
Net profit	33	84	44	34.6%	-47.5%	219	250	13.9%

FABS Estimate & Co Data

Americana - Margins

	1Q25	4Q25	1Q26F	YOY Ch.	QOQ Ch.	2025	2026F	Change
Gross Profit	52.8%	56.4%	54.2%	137	-218	54.4%	54.7%	30
EBITDA	21.2%	27.1%	23.3%	204	-385	23.7%	24.5%	78
Operating Profit	7.9%	15.3%	10.1%	215	-518	11.3%	12.3%	102
Net Profit	5.7%	12.5%	7.1%	144	-538	8.7%	9.4%	67

FABS estimate and Co data

1Q26 preview: Emirates Driving Company (EDC)

Rise in volumes in student enrolment and finance income to drive profit

Current Price	Target Price	Upside/Downside (%)	Rating
AED 3.14	AED 4.50	+43%	BUY

1Q26 estimate

Emirates Driving Company (EDC) is projected to report a 14.9% YOY rise in net profit attributable to equity shareholders to AED 77 Mn in 1Q26, primarily due to anticipated rise in revenue, finance income and share of profit from associates, partially offset by forecasted growth in direct expenses, G&A expenses, finance cost, income tax expenses and non-controlling interest. Revenue is expected to rise 13.7% YOY to AED 190 Mn in 1Q26, due to projected growth in student enrolment in EDC and Excellence, partially offset by an anticipated decline in weighted average fees in Excellence and EDC. However, direct expenses are projected to rise 24.0% YOY to AED 76 Mn in 1Q26. Thus, gross profit is likely to increase 7.8% YOY to AED 114 Mn in 1Q26. G&A expenses are forecasted to expand 15.1% YOY to AED 40 Mn in 1Q26. As a result, operating profit is expected to increase 4.2% YOY to AED 74 Mn in 1Q26. In contrast, operating profit margin is likely to decrease from 42.6% in 1Q25 to 39.0% in 1Q26. EDC's EBITDA is expected to rise 21.6% YOY to AED 102 Mn in 1Q26. However, we expect the EBITDA margin to grow from 50.1% in 1Q25 to 53.6% in 1Q26. Finance income is forecasted to expand 20.9% YOY to AED 10 Mn in 1Q26. Share of results from associate is expected to contribute AED 5 Mn in 1Q26 following the acquisition of Mwasalat. Similarly, finance cost is projected to increase significantly from AED 1 Mn in 1Q25 to AED 7 Mn in 1Q26. Income tax expenses are anticipated to increase 29.7% YOY to AED 14 Mn in 1Q26. Similarly, NCI is expected to increase 48.0% YOY to AED 3 Mn in 1Q26.

2026 forecast

We project EDC's net profit attributable to equity shareholders to grow 12.7% YOY to AED 375 Mn in 2026, fuelled by anticipated increase in revenue, rental income, other income, share of profit from associates and finance income, partially offset by a projected rise in direct expenses, G&A expenses, projected increase in finance costs, income tax expenses and NCI coupled with decline in net gain from financial assets at fair value through profit or loss, and absence of gain on sale of assets. Revenue is anticipated to grow 12.5% YOY to AED 867 Mn in 2026, mainly supported by forecasted increase in Training and testing services, and introduction of the Charge point segment during the year. Revenue from training and testing services is anticipated to expand from AED 736 Mn in 2025 to AED 814 Mn in 2026, driven by the expected rise in revenue from EDC, partially offset by forecasted decrease in revenue from Excellence. Revenue from EDC is anticipated to expand 18.7% YOY to AED 526 Mn in 2026, driven by a projected rise in student enrolment, and weighted average fees in EDC. Similarly, revenue from Excellence is anticipated to decline 1.6% YOY to AED 288 Mn in 2026, due to forecasted increase in student enrolment, partially offset by an expected decrease in weighted average fees in Excellence. While revenue from the other segment is forecasted to remain constant at AED 35 Mn in 2026 compared to 2025. Additionally, the Company is expected to see a revenue of AED 18 Mn from Chargepoint segment in 2026. The Company's direct expenses are forecasted to increase from AED 269 Mn in 2025 to AED 308 Mn in 2026. Thus, gross profit is likely to rise 11.5% YOY to AED 559 Mn in 2026. G&A expenses are expected to increase marginally 0.2% YOY to AED 182 Mn in 2026. Thus, EBIT is forecasted to increase 17.9% YOY to AED 377 Mn in 2026. While, we expect EBIT margin to increase from 41.5% in 2025 to 43.5% in 2026. EDC's EBITDA is expected to grow 15.8% YOY to AED 492 Mn in 2026. Similarly, EBITDA margin is expected to increase from 55.1% in 2025 to 56.7% in 2026. The Company's rental income is anticipated to increase 16.4% YOY to AED 5 Mn in 2026. The Company's share of profit from associates is expected to increase from AED 4 Mn in 2025 to AED 22 Mn in 2026. Other income is expected to increase significantly from AED 13 Mn in 2025 to AED 44 Mn in 2026.

Finance income is projected to increase 14.6% YOY to AED 38 Mn in 2026. Similarly, finance costs are anticipated to increase significantly from AED 10 Mn in 2025 to AED 29 Mn in 2026. Income tax expenses are forecasted to grow 19.8% YOY to AED 69 Mn in 2026. Similarly, NCI is projected to expand 21.3% YOY to AED 16 Mn in 2026.

4Q25 outturn

Drive's revenue grew from AED 175 Mn in 4Q24 to AED 208 Mn in 4Q25, supported by higher student enrolments in both EDC and Excellence. The Company's enrolled students in EDC increased by 24.0% YOY to 48K, while enrolments in Excellence reached 11K in 4Q25 underlining EDC's strong competitive positioning and ability to gain share beyond underlying industry growth. Drive's direct expenses rose 12.1% YOY to AED 72 Mn in 4Q25 due to expansion in operational scale. As a result, gross profit increased 22.2% YOY to AED 135 Mn in 4Q25. Similarly, gross margin increased from 63.2% in 4Q24 to 65.1% in 4Q25, indicating operating leverage. General and administrative expenses increased from AED 44 Mn in 4Q24 to AED 65 Mn in 4Q25. Consequently, operating profit increased 5.1% YOY to AED 70 Mn in 4Q25. However, the operating profit margin declined from 38.2% in 4Q24 to 33.9% in 4Q25, driven by higher G&A expenses. Drive's EBITDA increased marginally from AED 92 Mn in 4Q24 to AED 93 Mn in 4Q25. EBITDA Margin decreased from 52.4% in 4Q24 to 44.7% in 4Q25. Net gain from financial assets at FVTPL stood at AED 1 Mn in 4Q25 compared to AED 5 Mn in 4Q24. The Company's rental income stood at AED 2 Mn in 4Q25, compared to AED 3 Mn in 4Q24. Other income decreased from AED 2 Mn in 4Q24 to negative AED 1 Mn in 4Q25. Additionally, the Company incurred gain on sale of assets held for sale of AED 17 Mn in 4Q25 and a loss on remeasurement of contingent consideration of AED 10 Mn in 4Q25. The Company's finance expense grew from AED 1 Mn in 4Q24 to AED 3 Mn in 4Q25. Similarly, finance income increased 5.9% YOY to AED 9 Mn in 4Q25. The Company also reported share of results from associates of AED 4 Mn contributed by Mwasalat Holdings in 4Q25. The tax charges amounted to AED 12 Mn in 4Q25, compared to AED 7 Mn in 4Q24. The profit attributable to NCI holders grew from AED 3 Mn in 4Q24 to AED 4 Mn in 4Q25.

Target price and recommendation

We maintain our BUY rating on Drive with a target price of AED 4.50. EDC's revenue grew 50.2% YOY in 2025 to AED 770 Mn driven by sustained demand across EDC's core driver training operations and the continued expansion of the Company's broader mobility portfolio. The Company reiterated confidence in the sustainability of growth, supported by continued market share gains in core driving services, ongoing service diversification, and operating leverage, despite a higher tax environment. The acquisition of a 22.5% stake in Mwasalat Holding enhances EDC's exposure to the broader regional mobility value chain, spanning public transportation, vehicle rentals, and mobility services, while unlocking potential synergies in shared fleet procurement, cross-selling opportunities and AI-driven operational efficiencies. In 2025, Mwasalat generated AED 779 Mn in revenue increasing 18% YOY and delivered EBITDA of AED 217 Mn increasing 21% YOY. The Company continues to closely monitor Mwasalat's operational and financial performance against agreed milestones and intends to exercise the call option upon achievement, with consolidation expected in 2026. Excellence continued to deliver solid performance, with revenue growing 25% YOY to AED 293 Mn, while maintaining stable net margins of c. 10%. Growth was driven primarily by driving schools, while courier delivery and limousine services offering double digit growth potential. Excellence's growth is supported by 1–3% underlying market growth alongside continued market share gains in Dubai. In addition, EDC secured a 10-year public private partnership to develop and operate EV charging stations across three locations in Abu Dhabi. The ChargePoint initiative entails total capex of AED 58 Mn, with an expected ROI of 110%, payback period of 3–4 years, and commercial operations targeted for June 2026. EDC views this initiative as a strategic long term growth opportunity, rather than a near term earnings contributor. The balance sheet remains a key strength, with cash and bank balances of AED 946 Mn as of 4Q25. The facility covered c. 50% of the purchase consideration. The finance is repayable in 20 equal quarterly instalments, commencing after the drawdown date, with final

maturity on 30 October 2030 with interest rate of EIBOR+0.85%. The Company expects excess cash to be deployed toward the second tranche acquisition of Mwasalat, EV ChargePoint capex, while maintaining sustainable dividend payouts. The Board proposed a 20 fils dividend an increase of 17% YOY, reinforcing confidence in cash generation and earnings quality. For FY2026, the Company is leveraging operational excellence, service expansion and AI-driven transformation to accelerate performance and unlock long-term value. We therefore maintain our BUY rating.

Emirates Driving Company PJSC - Valuation

(at CMP)	2021	2022	2023	2024	2025	2026F
P/E (x)	1.66	1.10	12.54	12.09	10.06	8.99
P/B (x)	0.35	0.29	2.91	2.71	2.42	2.19
EV/EBITDA (x)	0.03	-0.73	11.31	10.66	5.96	6.57
EPS	1.871	2.822	0.248	0.257	0.309	0.346
BVPS	8.972	10.823	1.067	1.147	1.286	1.418
DPS	0.042	0.121	0.170	0.170	0.200	0.215
Dividend Yield (%)	1.3%	3.9%	5.4%	5.4%	6.4%	6.8%

FABS estimate & Co Data, In Jan 2024 the company did the stock split by reducing the share nominal value by 50 fils

Emirates Driving Company PJSC - P&L

AED Mn	1Q25	4Q25	1Q26F	YOY Ch.	QOQ Ch.	2025	2026F	Change
Revenue	167	208	190	13.7%	-8.6%	770	867	12.5%
Direct expenses	-61	-72	-76	24.0%	4.9%	-269	-308	NM
Gross profit	106	135	114	7.8%	-15.8%	501	559	11.5%
G&A Expenses	-35	-65	-40	15.1%	-38.5%	-182	-182	0.2%
EBIT	71	70	74	4.2%	5.2%	320	377	17.9%
EBITDA¹	84	93	102	21.6%	9.6%	425	492	15.8%
Net gain from financial assets at FVTPL	-2	1	1	NM	51.6%	7	3	-59.6%
Change in FV of investment property	1	-1	0	NM	NM	0	0	NM
Rental income	0	2	0	NM	NM	4	5	16.4%
Gain on sale of assets held for sale		17	0	NM	NM	41	0	NM
Loss on remeasurement of contingent consideration		-10	0	NM	NM	-10	0	NM
Share of results from associates		4	5	NM	53.4%	4	22	NM
Dividend income	0	0	0	NM	NM	0	0	NM
Other Income	2	-1	11	NM	NM	13	44	NM
Finance income	8	9	10	20.9%	8.7%	33	38	14.6%
Finance costs	-1	-3	-7	NM	NM	-10	-29	NM
Profit / (loss) before tax from continuing operations	80	86	94	17.8%	9.1%	403	460	14.0%
Income tax expense	-11	-12	-14	29.7%	17.1%	-58	-69	19.8%
Profit / (loss) after tax from continuing operations	69	74	80	15.9%	7.8%	346	391	13.0%
Non-controlling interest	-2	-4	-3	48.0%	-23.2%	-13	-16	21.3%
Profit attributable to the owner	67	70	77	14.9%	9.7%	333	375	12.7%

FABS estimate & Co Data, ¹Calculated EBITDA

Emirates Driving Company PJSC - Margins

	1Q25	4Q25	1Q26F	YOY Ch.	QOQ Ch.	2025	2026F	Change
Gross Profit	63.3%	65.1%	60.0%	-331	-514	65.1%	64.5%	-56
Operating Profit	42.6%	33.9%	39.0%	-357	510	41.5%	43.5%	202
EBITDA	50.1%	44.7%	53.6%	346	889	55.1%	56.7%	164
Net Profit	39.9%	33.6%	40.3%	41	670	43.2%	43.3%	9

FABS estimate & Co Data, ¹Based on calculated EBITDA

1Q26 preview: Lulu Retail Holdings PLC

Robust store rollout plan expected to support top line expansion

Current Price	Target Price	Upside/Downside (%)	Rating
AED 1.04	AED 1.50	+44%	BUY

1Q26 estimate

Lulu Retail Holdings PLC (Lulu / the Company) is projected to report a 0.8% YOY increase in net profit to USD 70 Mn in 1Q26, supported by marginal revenue expansion partially offset by higher cost of revenue, operating expenses, net finance cost and income tax expense. Revenue is anticipated to increase 1.6% YOY to USD 2,113 Mn in 1Q26 contributed by increase in geographical revenue. Cost of revenue is projected to rise 1.4% YOY to USD 1,638 Mn. Consequently, gross profit is expected to increase 2.4% YOY to USD 475 Mn in 1Q26 with margins improving 17 bps YOY to 22.5% in 1Q26. Other operating income is expected to remain stable at USD 80 Mn in 1Q26 on a YOY basis, while operating expenses are projected to increase 1.6% YOY to USD 433 Mn. Net finance cost is estimated to increase 6.7% YOY to USD 43 Mn in 1Q26. As a result, EBITDA is expected to increase 2.3% YOY to USD 219 Mn in 1Q26, indicating marginal operating improvement. Thus, EBITDA margins are expected to marginally increase 7 bps YOY to 10.4% in 1Q26. Profit before tax is projected to rise 1.7% YOY to USD 80 Mn, while income tax expense is forecasted to increase 8.8% YOY to USD 10 Mn in 1Q26.

2026 forecast

We estimate Lulu Retail's net profit to increase 9.9% YOY to USD 225 Mn in 2026, supported by improvement in operating profitability during the year. The growth in net profit is primarily driven by forecasted revenue expansion and higher other operating income, partially offset by an expected rise in cost of revenue, operating expenses, net finance cost and income tax expenses. Revenue is anticipated to grow 4.3% YOY to USD 8,272 Mn in 2026, reflecting continued expansion in the Company's retail network and steady performance across its operating markets. At the cost level, cost of revenue is projected to increase 4.6% YOY to USD 6,394 Mn in 2026, resulting in gross profit expanding 3.0% YOY to USD 1,878 Mn in 2026. However, gross profit margins are expected to decline 28 bps YOY to 22.7% in 2026 due to higher cost impact. Other operating income is expected to increase 3.9% YOY to USD 314 Mn, while operating expenses are forecasted to rise 2.0% YOY to USD 1,766 Mn. Similarly, net finance cost is anticipated to increase 5.3% YOY to USD 171 Mn in 2026. Consequently, EBITDA is expected to grow 3.8% YOY to USD 812 Mn, with margins decreasing marginally 4 bps YOY to 9.8% in 2026. Profit before tax is anticipated to increase 10.1% YOY to USD 255 Mn in 2026. Income tax expenses are projected to rise 11.4% YOY to USD 31 Mn in 2026.

4Q25 outturn

Lulu Retail's revenue rose 2.4% YOY to USD 1,940 Mn in 4Q25, primarily driven by resilient performance in the UAE and Kuwait partially offset by a decline in KSA and Oman. Private label sales continued to support revenue performance in 4Q25, contributing USD 549.2 Mn in retail sales, with penetration at 29.8% in 4Q25 compared to 30.8% in 4Q24. LuLu continues to position private label as a higher margin category across Fresh, CPG, Lifestyle and Electrical segments. E-commerce remained a key growth driver in 4Q25, with revenue increasing 51.8% YOY underscoring sustained digital momentum throughout the year. Digital sales accounted for 6.0% of total retail revenue for 2025, reflecting continued traction in omni-channel adoption. Growth was supported by strong Lulu e-commerce traffic in KSA and high penetration in Kuwait, aided by aggregator platforms. The Fresh segment recorded growth of 3.5% YOY in 4Q25 supported by favorable consumption trends and stronger e-commerce demand, resulting in higher volumes. Lulu's like-for-like (LFL) sales declined 1.1% YOY in 4Q25, primarily impacted by temporary softness in the Electrical and Lifestyle categories, along with moderate performance in KSA and Oman. Lulu recorded mixed performance across key markets in 4Q25, with revenue from the UAE expanding 5.7% YOY to USD 721 Mn. In

contrast, KSA revenue declined 2.3% YOY to USD 361 Mn, as growth in CPG and fresh category sales was offset by softer electrical goods sales. Kuwait delivered robust growth, with revenue rising 8.8% YOY to USD 173 Mn, primarily supported by strong supermarket performance and higher ecommerce penetration supported by aggregator platforms. Meanwhile, Qatar's revenue increased marginally 0.1% YOY to USD 282 Mn, aided by resilient CPG demand but weighed down by weaker Electrical and Lifestyle segments. Revenue from Oman declined 1.9% YOY to USD 284 Mn, reflecting stable volumes but softer basket sizes amid value-focused consumer trends. The Company's cost of revenue rose 3.3% YOY to USD 1,499 Mn in 4Q25. Thus, gross profit declined marginally 0.5% YOY to USD 441 Mn, while gross profit margins contracted 66 bps YOY to 22.7% in 4Q25. Other operating income declined 8.1% YOY to USD 69 Mn, whereas operating expenses grew 7.2% YOY to USD 423 Mn in 4Q25. Net finance costs declined 25.9% YOY to USD 39 Mn in 4Q25. EBITDA declined 16.3% YOY to USD 184 Mn in 4Q25, with EBITDA margin contracting to 9.5% in 4Q25 from 11.6% in 4Q24, mainly due to higher staff costs and incremental rent associated with new store openings, along with increased aggregator commission payments. The Company's income tax expenses increased marginally 0.6% YOY to USD 6 Mn in 4Q25.

Target price and recommendation

We maintain our BUY rating on LuLu Retail with a target price of AED 1.50. LuLu reported a decline in net profit in 4Q25, primarily driven by higher operating expenses, including increased staff costs, incremental rental expenses from new store openings and higher aggregator commission payments. Despite near-term margin pressures, the Company continued to execute its expansion strategy, opening 20 new stores in 2025 (including seven in 4Q25), taking its total network to 267 stores comprising 123 hypermarkets, 118 express stores and 26 mini markets. The 2025 rollout was primarily towards smaller formats, with six hypermarkets, 11 express stores and three mini markets, resulting in a 5.6% YOY increase in total selling space to 1.38 Mn sqm, with c. 70% of new additions in express and mini formats. Network expansion remains a key growth driver, with the UAE and KSA expected to contribute around two-thirds of planned store openings between 2026 and 2028. The three-year pipeline is broadly split with one-third each in the UAE and KSA, and the remainder across the wider GCC region. The GCC retail sector is expected to remain resilient, supported by population growth, tourism momentum and steady consumer demand, although competitive intensity and rising price sensitivity may weigh on margins. Customer engagement metrics remain robust, with the Lulu Happiness loyalty programme expanding to c. 8.4 Mn members in 2025 compared to 5.5 Mn in 2024, contributing 67% of total revenue. Overall customer count reached c. 675k in 4Q25, with 26k customers added in 4Q25. The Company continues to leverage loyalty data to drive retention, targeted promotions and basket optimisation. Private label remains a key strategic lever, with penetration increasing to 29.8% in 2025 up from 29.6% in 2024, supported by expansion across food, non-food, health & beauty, baby and pet care categories. The focus on premium and health-oriented SKUs, along with selective entry into higher-margin segments and GCC-wide rollout of proven products, is expected to support margin improvement over time. LuLu has also strengthened its digital and omni-channel capabilities through the rollout of quick commerce services across GCC markets, offering delivery within 45–90 minutes. The omni-channel enabled store network is expected to expand from 128 to over 200 locations, supporting improved productivity and higher digital penetration. Operational efficiency initiatives remain a priority, including AI-led demand planning, assortment optimisation and targeted measures in KSA such as wastage reduction, data-driven promotional discipline and supplier renegotiations, which are expected to support medium-term margin recovery. Strategic MOUs with suppliers, government entities and developers further enhance sourcing capabilities and support expansion plans. The Board has proposed a dividend of 3.5 fils per share for 2H25 (subject to shareholder approval), taking total dividends for 2025 to 7 fils per share (equivalent to USD 196.9 Mn). Subsequent to year-end, LuLu continued its expansion momentum with the opening of new express stores in the UAE, including locations in Al Ain, Saadiyat (Abu Dhabi) and Kalba (Sharjah), offering fresh produce, groceries, bakery items, ready-to-eat meals and household essentials. Thus, based on these factors, we maintain our BUY rating on the stock.

Lulu Retail - Valuation

	2024	2025	2026F
(at CMP)			
P/E (x)	11.51	14.03	12.77
P/B (x)	2.89	2.86	2.80
EV/EBITDA (x)	4.45	4.35	3.90
BVPS (AED)	0.353	0.357	0.364
EPS (AED)	0.089	0.073	0.080
DPS (AED)	0.030	0.070	0.076
Dividend Yield (%)	2.9%	6.7%	7.3%

FABS estimate & Co Data, Lulu Retail was listed in 2024; hence, the previous years' multiples are unavailable. ¹Dividend yield for 2024 is based on the 3 fils per share the Company announced for 2H'24.

LuLu Retail - P&L

USD Mn	1Q25	4Q25	1Q26F	YOY Ch	QOQ Ch	2025	2026F	YOY Ch
Revenue	2,080	1,940	2,113	1.6%	8.9%	7,934	8,272	4.3%
Cost of revenue	-1,616	-1,499	-1,638	1.4%	9.3%	-6,111	-6,394	4.6%
Gross profit	465	441	475	2.4%	7.8%	1,823	1,878	3.0%
Other operating income	80	69	80	0.0%	16.0%	303	314	3.9%
Operating expenses	-426	-423	-433	1.6%	2.3%	-1,731	-1,766	2.0%
Finance cost, net	-40	-39	-43	6.7%	9.5%	-162	-171	5.3%
EBITDA	214	184	219	2.3%	19.0%	782	812	3.8%
Profit before tax	79	48	80	1.7%	67.2%	232	255	10.1%
Income tax expense	-9	-6	-10	8.8%	55.9%	-27	-31	11.4%
Net profit from con. Ops.	70	42	70	0.8%	68.9%	205	225	9.9%
PAT from dis. operations	0	0	0	NM	NM	0	0	NM
Net profit	70	42	70	0.8%	68.9%	205	225	9.9%

FABS Estimate & Co Data

LuLu Retail - Margins

	1Q25	4Q25	1Q26F	YOY Ch	QOQ Ch	2025	2026F	YOY Ch
Gross Profit	22.3%	22.7%	22.5%	17	-23	23.0%	22.7%	-28
EBITDA	10.3%	9.5%	10.4%	7	88	9.9%	9.8%	-4
Net Profit	3.4%	2.1%	3.3%	-2	118	2.6%	2.7%	14

FABS estimate and Co data

1Q26 preview: **Talabat Holding PLC**

Elevated Cost Structure to Constrain Profitability

Current Price	Target Price	Upside/Downside (%)	Rating
AED 0.842	AED 1.30	+54%	BUY

1Q26 estimate

Talabat Group (Talabat/the Company) is projected to report a 29.3% YOY decrease in net profit to USD 73 Mn in 1Q26. The decline in net profit will be mainly supported by anticipated higher cost of revenue, operating costs and other expenses and impairment charges, partially offset by anticipated rise in GMV and growth in revenue, increased other income along with decrease in income tax expenses. GMV is projected to increase 28.0% YOY to USD 2,668 Mn, while IFRS revenue is forecasted to grow 24.3% YOY to USD 1,036 Mn in 1Q26. Cost of revenue is anticipated to rise 32.4% YOY to USD 751 Mn in 1Q25. Consequently, gross profit is expected to grow 7.0% YOY to USD 285 Mn, with gross margin to expected to decline from 12.8% in 1Q25 to 10.7% of GMV in 1Q26. Marketing expenses are expected to increase 30.5% YOY to USD 59 Mn, while IT expenses are projected to increase 2.5% YOY to USD 21 Mn. General & administrative expenses are expected to increase 35.4% YOY to USD 59 Mn, while other income is projected to increase from USD 2 Mn in 1Q25 to USD 3 Mn in 1Q26. Other expenses & impairment are anticipated to increase 35.5% YOY to USD 51 Mn in 1Q26. Thus, operating profit is expected to decrease 19.6% YOY to USD 98 Mn in 1Q26 with margins declining from 5.9% in 1Q25 to 3.7% in 1Q26. Talabat's adjusted EBITDA is expected to decline 12.3% YOY to USD 124 Mn in 1Q26, with EBITDA margin likely to decline from 6.8% in 1Q25 to 4.6% in 1Q26. Net finance costs are projected at USD 2 Mn, while net foreign exchange loss is expected to be USD 10 Mn in 1Q26 compared to a gain of USD 1 Mn in 1Q25. Income tax expenses are projected to decline 39.6% YOY to USD 13 Mn in 1Q26.

2026 forecast

Talabat's net profit is expected to decline 34.1% YOY to USD 308 Mn in 2026 due to higher cost of revenue and operating expenses along with lower other income coupled with net finance costs and net foreign exchange loss partially offset by higher GMV and revenue along with lower income tax expenses. GMV is projected to increase 20.2% YOY to USD 11,322 Mn, while IFRS revenue is expected to grow 14.0% YOY to USD 4,391 Mn in 2026. Cost of revenue is expected to increase 18.4% YOY to USD 3,184 Mn in 2026. Thus, gross profit is expected to increase 3.9% YOY to USD 1,208 Mn in 2026, with the gross margin declining from 12.3% in 2025 to 10.7% in 2026. Marketing expenses are expected to increase 18.4% YOY to USD 249 Mn, while IT expenses are projected to increase 33.0% YOY to USD 88 Mn in 2026. General & Administrative expenses are anticipated to rise 32.4% YOY to USD 249 Mn while other income is expected to decline 6.1% YOY to USD 11 Mn in 2026. Other expenses & impairments are projected to increase 28.6% YOY to USD 217 Mn in 2026. Operating profit is anticipated to decline 23.2% YOY to USD 415 Mn in 2026 with margins declining from 5.7% in 2025 to 3.7% in 2026. Adjusted EBITDA is anticipated to decrease 16.9% YOY to USD 518 Mn in 2026, with EBITDA margins likely to decline from 6.6% in 2025 to 4.6% in 2026. Net finance costs are projected at USD 9 Mn, compared to finance income of USD 12 Mn in 2025 with foreign exchange losses of USD 40 Mn in 2026 compared to foreign exchange gain of USD 2 Mn in 2025. Income tax expenses are estimated to decline 34.1% YOY to USD 58 Mn in 2026.

4Q25 outturn

GMV (excluding Instashop) grew 21.1% YOY to USD 2,476 Mn in 4Q25, supported by growth in GCC food segment and non-GCC market, rising active users, higher order frequency, and increase in Talabat Pro adoption. GMV for non-GCC region rose from USD 320 Mn in 4Q24 to USD 501 Mn in 4Q25. Additionally, GMV of Talabat from GCC region expanded 14.5% YOY to USD 1,974 Mn in 4Q25. Management revenue (Talabat only) grew 26.1% YOY to USD 1,039 Mn in 4Q25. Operating costs

rose 32.0% YOY to USD 751 Mn in 4Q25. As a result, gross profit increased 12.9% YOY to USD 288 Mn in 4Q25. Gross profit margin (as % of GMV) was 11.6% in 4Q25, compared to 12.5% in 4Q24. Marketing expenses increased substantially from USD 37 Mn in 4Q24 to USD 54 Mn in 4Q25, while the Company IT expenses fell 29.4% YOY to USD 12 Mn. G&A expenses decreased 21.6% YOY to USD 29 Mn in 4Q25. Other expense stood at USD 41 Mn in 4Q25, compared to USD 21 Mn in 4Q24. As a result, Talabat operating profit rose 6.6% YOY to USD 153 Mn, with an operating margin (as % GMV) of 6.3% in 4Q25. Adjusted EBITDA (Talabat Only) increased 12.6% YOY to USD 156 Mn in 4Q25. The Adjusted EBITDA margin (as a % of GMV) decreased 48 bps YOY to 6.3% in 4Q25. The Company also reported management revenue (including the contribution of Instashop) of USD 1,070 Mn, adjusted EBITDA of USD 159 Mn, net income of USD 122 Mn, and adjusted FCF of USD 137 Mn for the period of 4Q25

Target price and recommendation

We maintain our BUY rating on Talabat with a target price of AED 1.30. The Company demonstrated strong momentum in 2025, with GMV growing 21.1% YOY. Talabat Pro subscribers more than tripled during 2025, now representing 25% of the customer base and driving 47% of GMV. Monthly Active Users (MAUs) rose 19% YOY to 7.6 Mn in 4Q25. The delivery fleet expanded 27% YOY to 157k riders, while the vendor base grew 22% YOY to c. 84k active partners in December 2025. In 2025, Talabat delivered USD 588 Mn in partnerfunded customer savings, equivalent to 6.2% of GMV. Revenue from delivery and service fees contracted slightly to 8.9% of GMV in 4Q25, largely offset by strong adoption of Talabat Pro. Looking ahead, Talabat plans to enhance the Pro subscription, expanding its value proposition via strategic partnerships and loyalty initiatives to convert lower-frequency customers, supported by targeted marketing. Talabat's AdTech business within tMart is scaling rapidly, with a Net Monetization Rate (NMR) of c. 7% of tMart sales in 4Q25, representing around 20% of total AdTech revenue, and margins at 3.5% of GMV. The Company highlighted a dynamic operating environment and intensified competition in key markets, which weighed on group growth by 3 to 5 percentage points. The tMart platform continues to expand quickly, with c. 47% YOY growth in 2025, while TAC penetration remains below 1.5%, signaling significant headroom to capture more of the grocery market. Talabat noted that the 4Q25 growth deceleration was partly due to competitive discounting, leading to a 4% YOY decline in retention among low-value customers, while high-value customers remained resilient, with flat retention and a 6% increase in order frequency. The Company's strategy prioritizes profitability by focusing on high-value customers rather than pursuing growth at any cost. Talabat is accelerating grocery integration, launching three new ventures, and strengthening the Talabat Pro offering. EBITDA could outperform guidance if competitive intensity moderates, while current projections assume competition remains at current levels. The Company plans a dividend of USD 252–279 Mn (90% payout ratio) for the period of 2026. Capex and operating investments for 2026 are expected to total USD 120 Mn, with c. USD 75 Mn allocated to operating expenses, primarily for distribution centers and dark stores, and c. USD 45 Mn for capital expenditures. Talabat also approved dividend of USD 219 Mn for 2H25 equivalent to 3.45 fills per share, bringing total 2025 dividends to USD 421 Mn, exceeding guidance. Thus, based on the aforementioned factors, we assign a BUY rating to the stock.

Talabat - Valuation

	2024	2025	2026F
(at CMP)			
P/E (x)	14.85	10.98	16.65
P/B (x)	9.54	7.34	7.89
EV/EBITDA (x)	9.22	7.90	9.50
BVPS	0.085	0.110	0.103
EPS	0.055	0.074	0.049
DPS (AED)	0.017	0.066	0.044
Dividend Yield (%)	2.0%	7.8%	5.2%

FABS estimate & Co Data

¹The company was listed in Dec 2024, hence dividend yield for 2024 is considering the interim dividend (4Q24).

Talabat - P&L

USD Mn	1Q25	4Q25	1Q26F	YOY Ch	QOQ Ch	2025	2026F	Change
GMV	2,084	2,476	2,668	28.0%	7.7%	9,421	11,322	20.2%
IFRS Revenue	834	1,032	1,036	24.3%	0.4%	3,851	4,391	14.0%
Cost of revenue	-567	-731	-751	32.4%	2.7%	-2,688	-3,184	18.4%
Gross profit	266	300	285	7.0%	-5.2%	1,163	1,208	3.9%
Marketing expense	-45	-58	-59	30.5%	1.0%	-210	-249	18.4%
IT expense	-20	-13	-21	2.5%	54.6%	-66	-88	33.0%
General administrative expense	-43	-47	-59	35.4%	25.3%	-188	-249	32.4%
Other income	2	1	3	10.5%	235.1%	12	11	-6.1%
Other expenses and impairment	-38	-42	-51	35.5%	20.7%	-169	-217	28.6%
Operating profit	122	140	98	-19.6%	-30.1%	541	415	-23.2%
Adj. EBITDA	141	159	124	-12.3%	-22.2%	624	518	-16.9%
Net finance costs	2	4	-2	NM	NM	12	-9	NM
Foreign exchange loss, net	1	1	-10	NM	NM	2	-40	NM
Earning Before Tax and Staff Bonus	125	145	86	-31.1%	-40.8%	555	366	-34.1%
Income Tax	-21	-23	-13	-39.6%	-44.0%	-88	-58	-34.1%
Profit to shareholders	103	122	73	-29.3%	-40.2%	468	308	-34.1%

FABS estimate & Co Data, ¹Details for the FY2024 and 3Q24 are not provided by the Company, since the Company was listed in Dec 2024. So, the audited financials for the rest of the line items are not available for the historical period.

Talabat – Margins (As a % of GMV)

	1Q25	4Q25	1Q26F	YOY Ch	QOQ Ch	2025	2026F	Change
Gross Profit	12.8%	12.1%	10.7%	-209	-145	12.3%	10.7%	-168
EBITDA	6.8%	6.4%	4.6%	-213	-178	6.6%	4.6%	-204
Operating Profit Margin	5.9%	5.7%	3.7%	-218	-199	5.7%	3.7%	-207
Net Profit	5.0%	4.9%	2.7%	-222	-220	5.0%	2.7%	-224

FABS estimate & Co Data

Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

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