



**Operator** Hello, everyone, and welcome to the Aldar Properties 9M 2025 Financial Results. My name is Esraa, and I will be your coordinator today. If you would like to ask a question, please press star, followed by one on your telephone keypad, and if you change your mind, press star, followed by two. If you have joined online, you can submit a text question via the Q&A button on your browser. We will be taking questions at the end of the presentation. I will now hand over to Faisal Falaknaz, the Group Chief Finance and Sustainability Officer, to begin. Please go ahead when you're ready.

- **Faisal Falaknaz** Salam alaikum. Thank you for joining today's call to discuss Aldar's financial results for the first nine months of 2025.
- Aldar has delivered another solid financial performance as disciplined execution on strategy and capital deployment continues to yield strong results.
- Our business has reached significant scale and maturity, with the development and investment platforms serving as engines of earnings growth.
- This performance also reflects the continued strength of the UAE economy. As the country cements its position as a global hub for investment, talent, knowledge and residence, Aldar is meeting sustained demand for high-quality real estate and long-term community infrastructure.
- The strong nine-month performance was driven by:
  - Sustained development momentum backed by substantial domestic and international demand and execution against our sizable backlog
  - Increased earnings across our investment property portfolio supported by high occupancy, rental growth, and the contribution of recent acquisitions.
- For the first nine months, group revenue increased 43% year on year to 23.6 billion dirhams.
- EBITDA increased 44% at 7.8 billion dirhams – setting us firmly on course to deliver at the upper-range of our full-year guidance of between 10.4 and 10.8 billion dirhams, with potential to outperform it.
- Net profit after tax for the first nine months increased 30% year on year to 6 billion dirhams.
- Aldar's effective tax rate for the first nine months was 12.6% versus 4.3% in the same period last year. This reflects the UAE's adoption of the 15% DMTT rate in January, following the 9% general corporate income tax rate introduced a year earlier.
- Aldar Development has seen robust sales momentum from new launches and existing inventory on previous launches.
- Group development sales increased 19% year on year to 28.5 billion dirhams in the first nine months, and we are on track to meet our full-year sales guidance of 36 to 39 billion dirhams.



- Driven by successful project launches, our total backlog has reached an all-time high of 66.5 billion dirhams, of which 57.3 billion dirhams in the UAE. This signifies an elevated rate of revenue recognition over the next two to three years.
- Meanwhile, Aldar Investment delivered a 17% increase in nine-month adjusted EBITDA to 2.3 billion dirhams, driven by organic growth across our income-generating property portfolio, the positive impact of recent acquisitions, and an increased contribution from Aldar Estates.
- The platform will continue to expand and diversify further over the next three years, driven by our develop-to-hold pipeline, which now stands at 17.6 billion dirhams, and further capital deployment including strategic M&A.
- On slide 4, you will see a summary of recent **corporate announcements**.
- Demand for UAE real estate remains strong, supported by healthy economic fundamentals and sustained investor confidence. Aldar continues to attract both individual buyers and institutional capital across its developments.
- In the third quarter, we launched three new developments: Fahid Beach Terraces on Fahid Island, Rise by Athlon in Dubai, and Al Deem Townhomes on Yas Island, bringing the total number of launches this year to eight.
- In Aldar Investment, we continued to deploy capital into opportunities that scale and diversify recurring income streams.
- In the third quarter, we exercised the option to acquire Mubadala's 40% stake in Al Maryah Tower, which has now reached 97% occupancy, and we acquired an additional 17.5% stake in Aldar Estates.
- We also expanded our develop-to-hold pipeline, by an additional 3.8 billion dirhams in new projects, bringing our total D-Hold pipeline to 17.6 billion dirhams.
- These new projects across Residential, Commercial & Logistics include:
  - In residential, we are developing new residential communities in Al Reeman and Yas Island, with more than 2,600 units to be made available for rent, bringing our total number of residential units to over 11,000 across the portfolio.
  - In commercial, we are establishing Yas Business Park, adjacent to Yas Mall, with over 47,500 square metres of prime leasable space to further diversify and expand our commercial portfolio.
  - In logistics, we are further expanding Abu Dhabi Business Hub, by adding 175,000 square metres of gross leasable area directly catering to a mix of tenant segments including third-party logistics, e-commerce, and distribution.
- We will also deliver Abu Dhabi's first Tesla Experience Centre, a purpose-built, 5,000 sqm facility that will feature a showroom, service centre and delivery operations



- Turning to a more detailed look at **Aldar Development** on slide 5.
- Group sales rose 19% year on year to 28.5 billion dirhams in the first nine months of 2025, maintaining a high and sustainable run rate. This was driven by strong uptake across existing inventory and new launches in the UAE, supported by our global sales network and resilient domestic demand.
- Revenue increased 50% year on year to 17.1 billion dirhams, while EBITDA rose 58% to 5 billion dirhams, driven by continued delivery and revenue recognition from our expanding backlog.
- That backlog now stands at 66.5 billion dirhams, up from 54.6 billion at the end of last year.
- Our international businesses also delivered solid progress.
- SODIC recorded 711 million dirhams in revenue and 1.5 billion dirhams in sales during the first nine months, while London Square delivered 1.1 billion dirhams in revenue and 521 million dirhams in sales.
- In the third quarter, London Square acquired one land plot and launched 1 new project – Brook Green, bringing total project launches to four year-to-date.
- Turning to slide 6, you will see further details on **UAE development sales**, which reached 26.5 billion dirhams in the first nine months, up 31% year on year.
- The mix of buyers remains highly diversified. Overseas and expatriate customers represented 77% of total UAE sales, reflecting Aldar’s continued appeal to international investors and end-users.
- This sustained demand is supported by our broader product mix and the reach of our global sales network, which continues to deliver meaningfully and attract sales from key markets including India, China, Russia, the UK, the US and France.
- Our development backlog in the UAE now stands at 57.3 billion dirhams, providing visibility of revenue and cash flow over the next 30 months.
- On slide 7, you will find detail on Aldar Investment, which has grown into a well-diversified platform with 47 billion dirhams of assets under management and a strong base of recurring income.
- Revenue increased 16% year on year to 5.8 billion dirhams in the first nine months, while adjusted EBITDA rose 17 % to 2.3 billion dirhams.
- To give a better idea of underlying performance, if we exclude commercial disposals and divestments of residential strata units, adjusted EBITDA for the nine-month period rose 22%.
- Turning to slide 8
- The **Investment Properties** portfolio continued to deliver strong growth during the first nine months, with adjusted EBITDA rising 20% year on year to 1.5 billion dirhams. Excluding disposals and divestments, adjusted EBITDA increased 27%.



- Performance was supported by portfolio-wide occupancy of 97% as at the end of September, alongside continued rental uplifts and contributions from the newly acquired Masdar City residential and commercial assets, contributing 185million dirhams in adjusted EBITDA.
- **Commercial** adjusted EBITDA in the first nine months reached 643 million dirhams, up 17% year on year. And excluding disposals, adjusted EBITDA rose 31% year on year.
- Performance was supported by contributions from 6 Falak and the Masdar City assets, the ramp-up of Al Maryah Tower, and a strong rise in rental rates during the period, with portfolio occupancy now at 99%.
- It is also worth noting that Yas Place, which was completed in Q2 this year, is already fully leased.
- **Residential** adjusted EBITDA increased 29% to 390 million dirhams, supported by contributions from the Masdar City assets and rental growth across a portfolio, which is 98% occupied. During the period, we generated 71 million dirhams from strata sales, in line with our capital recycling strategy. Excluding strata unit divestments, the portfolio's adjusted EBITDA grew by 34%.
- **Retail** adjusted EBITDA rose 17% year-on-year to 420 million dirhams, with average occupancy at 90%. Yas Mall reported strong momentum, with occupancy of 97% driving a 12% year-on-year growth in footfall, 10% rise in tenant sales, double-digit growth in turnover rent. Meanwhile, Al Hamra Mall in RAK, which reopened in 2024 and Jimi Mall in Al Ain which reopened in September 2025, are both operating at 98% occupancy following their respective upgrades.
- Meanwhile, the formation of the new retail platform under the Mubadala joint venture, combining Yas Mall and The Galleria Luxury Collection, is expected to close in Q4.
- **Logistics** adjusted EBITDA rose 48% to 67 million dirhams, with occupancy at 98%, supported by the contribution of the Al Markaz assets and solid leasing at Abu Dhabi Business Hub's warehouses and office space.
- On slide 9, you will see that in the first nine months, our Hospitality, Education, and Estates platforms continued to deliver a solid performance while advancing key strategic initiatives.
- The **Hospitality** portfolio maintained 69% occupancy in the period and achieved an 8% increase in average daily rates and a 4% rise in RevPAR. EBITDA in the first nine months was 211 million dirhams, 2% lower year on year, reflecting the fact that several properties have been partially offline on the back of our 1.5-billion-dirham transformation programme.
- The **Education** platform recorded EBITDA of 212 million dirhams, up 1% year on year –due to previous year one-offs and pre-operational costs of new school openings.
- However, underlying performance has been strong, supported by enrolment growth, fee uplifts, and contributions from new schools, including Noya British School. Excluding one-offs, and on a like-for-like basis, adjusted EBITDA increased 12% to 210 million dirhams.
- Enrolment across our schools now stands at nearly 36,000 students.



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- In our operated schools, enrolment grew by 14% year-on-year, driven by organic growth as well as the addition of new schools – Noya British School and Yasmina American School.
- Meanwhile, enrolment at our managed schools declined by 14% year-on-year, mainly reflecting the handover of five schools to the Ministry of Education.
- We expect further growth ahead, with Muna British Academy set to be operational in October 2025, and King’s College School Wimbledon following in 2028.
- **Aldar Estates** continued to demonstrate scale and strength, with adjusted EBITDA rising 25% to 313 million dirhams.
- Performance was driven by contract renewals, new mandates, and continued efficiency gains across facilities management, property management, and community management.
- During the third quarter, we increased our stake in Aldar Estates to 82.55% through a 722-million-dirham acquisition of the 17.45% stake held by Modon Holding.
- Turning to slide 10 and our **key balance sheet indicators**.
- Over recent months, we have taken a **counter-cyclical approach** to funding, aimed at reinforcing our financial resilience and building a robust capital buffer to support long-term growth.
- In the third quarter, we raised 290-million-dollars through **taps on existing green sukuks maturing in 2034 and 2035**, which attracted strong regional and international demand and was priced at record-tight spreads versus U.S. Treasuries.
- In parallel, London Square secured a 150-million-pound senior unsecured conventional revolving credit facility.
- This built on funding activity earlier in the year including the 9-billion-dirham sustainability-linked revolving facility and 2 billion dollars in hybrid and green bond issuances.
- Meanwhile, we have maintained a **prudent leverage profile** and strong interest coverage, while further strengthening **liquidity**. The company now benefits from 12.3 billion dirhams in free and unrestricted cash and 17.4 billion dirhams in committed undrawn facilities as at the end of September.
- The average senior **debt maturity** now stands at 5.3 years, with no material refinancing needs in the near term.
- Looking ahead, we will continue to deploy capital in a disciplined manner, maintaining a prudent leverage profile, strengthening recurring income, and aligning our funding strategy with long-term value creation.
- You will find our approach to sustainability and key highlights on slides 11 and 12.
- We’ve made strong headway on the environmental side, cutting energy use intensity by 31%, and reducing embodied carbon in construction by 29% compared to business-as-usual levels.



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- At the same time, we've also recycled 86% of construction and demolition waste.
- We continue to expand Aldar's social impact through our collaboration with Dubai Cares to improve access to quality education, having completed the first of two planned school renovation projects.
- Through Aldar's Thrive Scholarship Programme, we've now enrolled 67 students since its launch in 2022, offering quality education to students from low-income households, with 16% of beneficiaries being People of Determination.
- To close and turning to slide 13 – While our **full-year 2025 guidance** remains unchanged, supported by the strong visibility we have across both our development and investment platforms, we remain on track to reach the upper-end of our full-year guidance, with a Group EBITDA of between 10.4 and 10.8 billion dirhams, and Group development sales in the range of 36 to 39 billion dirhams.
- Aldar Development is expected to deliver EBITDA of 6.6 to 7 billion dirhams, while Aldar Investment is guided to reach adjusted EBITDA of 3.2 to 3.3 billion dirhams.
- The first nine months have once again highlighted the scale, resilience and balance of Aldar's diversified business model.
- Our development business continues to translate strong demand into record sales and an expanding backlog, supported by sustained domestic and international appetite for our high-quality communities.
- Meanwhile, Aldar Investment continues to grow in both scale and breadth, underpinned by high occupancy, rental uplifts, and contributions from recent acquisitions.
- With that, we conclude today's presentation and welcome your questions. Thank you.

**Operator** Thank you very much, Faisal. We will now open for the Q&A session. If you would like to ask a question, please press star, followed by one on your telephone keypad, and when prepping to ask your question, ensure your device is unmuted locally. If you change your mind or your question has already been answered, please press star, followed by two. You can also submit a text question via the Q&A button on your browser. Our first question comes from Rahul Bajaj with Citigroup. Your line is now open. Please go ahead.

**Rahul Bajaj** Hi, Faisal. This is Rahul Bajaj from Citi. I have three quick questions, if I may, please. The first one is on the rental rates. So, you mentioned, you've seen very good rental rates uplift in the Aldar Investment portfolio, across the portfolio, Commercial, Logistics, Residential and Retail. Just wanted to understand, how do you expect each of these asset classes to evolve over the medium term, in terms of rental rates? Where do you expect a slowdown or an acceleration? So, that's my first question.

My second question is regarding the schools. You mentioned that five schools have been returned to Ministry of Education. Just wanted to understand if any impact on your bottom line from these schools is getting returned. Is it material? And do you expect more schools to be returned in the medium term, or added? How should we think about



this movement in schools, which are managed by Aldar? And my third and final question, just wanted to quickly check on the 50%, 50/50 recurring portfolio EBITDA, which you aspire to get to by 2030. And you talked about the additional D-Hold capex which you announced yesterday, which gets you to around close to AED 18 billion of D-Hold pipeline over the next few years.

Do you think this AED 18 billion on top of the deployment capex, which is in the pipeline, should be enough to get you to that 50/50 recurring versus non-recurring? I'm just trying to think. The other way to ask my question is, at what growth rate are you thinking the recurring and the non-recurring EBITDAs do progress over the next three to five years, so that you end up at a 50/50 mix by 2030? So, those are my three questions. Thank you.

**Faisal Falaknaz** Thank you, Rahul. So, starting with the first question on rental rates, they vary by asset class. So, we can start by Residential rental rates. We are capped by 5%, typically when we renew a lease with an existing tenant. But if the lease rolls over, we've typically seen rental rates increase more than 10%, especially with our portfolio in Alreeman. On the Commercial office front, we've really seen very strong demand, especially in ADGM. For example, just, I think it was a couple of months ago, we leased a full floor to an international tenant with a headline rent of more than AED 3000/sq m, which we've never done before.

Typically, our average rental rate in the building was somewhere around 2/3 to 2/5. With Retail, you've seen the increase in sales, so Yas Mall sales, for example, is up more than 10%. And so, what's happening, tenants are able to afford higher OCRs, occupancy cost ratios, and so we've been continuously pushing up rents. Yas Mall has been a big contributor to the double-digit growth you see on the Retail portfolio. And then, on Logistics, I'd say, the rents, at least in our portfolio, have been somewhat stable. We haven't seen a significant pick-up there, other than the demand on the space itself.

In terms of the medium-term view, I'd say, the key message I would give is, we continue to see more and more convergence towards Dubai prices. The best example to give is the ADGM rents. ADGM rents, a couple of years ago, were AED 16,000-17,000/sqm. Again, as I noted, the last incremental large lease we did is north of 3,000. That's getting close to where the DIFC is today, but still, there's significant room for growth, in my view. So, that's on the rental side. Your second question on schools, managed schools contribute less than 5% of our overall EBITDA for schools, so I would say that the impact is insignificant. What is the likelihood of more schools being taken back? It is not unlikely, and it's not highly likely.

But this is a direction that we are seeing from the Government. We don't know how quickly it's going to happen, but there's a decent probability that we'll continue seeing that trend. But, again, our focus, in terms of financial return is predominantly on operated schools, not on the managed schools. The managed schools, we obviously have a big social responsibility to play, which is why we put our weight on it. It's less about the financial returns there. And then, the last point about the 50/50 target, this is a very ambitious target, if I'm being very honest, given the pace of our Development business growth.

But we have intentionally set that aggressive target on ourselves because we want to send a message to the investor community, and we want to send a message to the internal management team, that recurring income is a very high priority. This is something that we want to double down, because this is the segment that will payoff through the cycles. Is the D-Hold that we have today, the AED 17.6 billion, enough for us to reach there? No, we still want to



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continue growing our D-Hold portfolio. We continue to have a sizeable landbank that this will play a role in. For example, Logistics today contributes 5% of our AIP portfolio. We want to grow logistics to at least 20/25%, and we want to continue investing in other segments as well.

And then you layer on top the M&A deployment that we're going to do, and then you layer on top the normal organic growth that you're going to see across the Investment Property portfolio and the operating businesses, which are obviously growing at a much higher pace. But no, what we have today on plate is not enough. We still have more work to do.

**Rahul Bajaj** All clear. This was very useful. Thanks, Faisal.

**Faisal Falaknaz** Thank you.

**Operator** Our next question comes from Mohamad Haidar with Arqaam Capital. Your line is now open. Please go ahead.

**Mohamad Haidar** Salam alaikum, Faisal. Mohamad Haidar from Arqaam.

**Faisal Falaknaz** Wa alaikum assalam, Mohamad Haidar.

**Mohamad Haidar** My question is on the Development side of things, and it's a bit generic, on the markets in Dubai and Abu Dhabi. We know demand is still very robust, the market is hot, but are you seeing any signs of stress or challenges with the recent, or the new, launches across both Dubai and Abu Dhabi? Is it taking you longer to sell the units in September, for example, versus earlier this year?

**Faisal Falaknaz** No, we haven't seen any stress. So, one example is Yas Living, which we launched, I think it was three, four weeks ago, completely sold out. Al Deem Townhomes, which was only to Emiratis, completely sold out. Fahid Beach Terraces, which we launched in Q3, we didn't sell out, but we don't want to sell out on everything, because we have a strategy that, it's a balance between taking risk off the table and maximising your prices. So, on certain products, we want to push prices a little bit more aggressively, and then we are happy to expect a longer absorption. It's usually the high-ticket units that we have that take a little bit longer to move, like things that are, I would say, AED 15 million-plus.

But, again, the units that we're sitting on have a two-plus/three years' maturity life until handover. So, we're not carrying a lot of risks there. We've already sold 70/80% plus on those assets. We're being disciplined, but not super-aggressive on payment plans. Again, the sweet spot we have decided to be in on payment plans is somewhere between 60 and 70% during construction. We don't see ourselves going to 80/90%, because we think that will then affect the velocity of sales and the affordability of buyers.

And then, the last point, and I think this was in the media recently, is, we have typically been selling premium, upper premium, luxury, ultra-luxury, and given the population growth, we want to serve a wider segment, so we are replenishing our landbank to cater to more affordable-to-mid-income products. So, are we seeing any stress? No, we're not seeing any stress.





**Mohamad Haidar** That's very clear, Faisal, thank you. And one more question on D-Hold. So, 18 billion under development. Obviously, a lot of this will come after 2027. So, they're not part of the guidance, and if we assume 10% yield on development, so another 1.8-1.7 billion in EBITDA, this, by large, will come after 2027. Am I right in my rationale?

**Faisal Falaknaz** Yes, so if you refer to the investor deck, there's a full schedule on each of the assets. The GDV, so what we show you is, we show you the gross development value of those assets. And the yield, I would assume, on those, is 7 to 8%. So, there's 10% yield on cost, which is the capex, but the GDV, the gross development value, that we disclose is the value of the assets that we estimate at handover. So, you should assume somewhere between 7 and 8% yield on that.

**Mohamad Haidar** Okay, clear. And the difference between both yields will probably show in the fair value gains when the asset is completed?

**Faisal Falaknaz** Yes, 100%. Absolutely, yes.

**Mohamad Haidar** Okay, excellent. Thank you, Faisal.

**Faisal Falaknaz** Thank you.

**Operator** Our next question comes from Harsh Mehta with Goldman Sachs. Your line is now open. Please go ahead.

**Harsh Mehta** Hi, Faisal. Thank you very much for the presentation, and congratulations on the earnings. I had a quick question on the Development business. So, we see, last few quarters, presales have been in the range of AED 8 to 9 billion a quarter. And given the market is strong, the buyer profile is changing, you have the landbank, is there a plan or strategy to drive more aggressive presales, or could we see 20%/30% higher presales over the next few quarters? And what would be the strategy to drive that higher monetisation on the landbank?

**Faisal Falaknaz** So, we will always capitalise on the strength of the market, but let's not get ahead of ourselves. We will come back to you in February/March with our view on where the market is. Internally, we're going through our budgeting and business planning process, so obviously, we're going to keep pushing. But on what exactly that number will be, give us time until Q4 results.

**Harsh Mehta** Got it, sure. And maybe just one follow-up question. So, when we look at the property development revenues, which are now around 5 billion mark every quarter, which is pretty much a reflection of the uptick in presales we started seeing from 2023 on a quarterly run rate, which started hitting 5 to 6 billion of presales, given, now that you're already at around 8/9 billion of presales, is it fair to assume that, in two to three years' time, your quarterly revenue, if the execution goes ahead as strong as it is right now, we should probably expect quarterly run rate on actual revenues, pretty much a reflection of what you're selling today, which is going to around 8-9 billion a quarter?

**Faisal Falaknaz** It's in our guidance. So, if you look at our average CAGR for the next three years on the Development side, it's, I believe, 30-35%. So, that should get you, I think, to where we're guiding.



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**Marsh Mehta** Perfect, thank you.

**Operator** Our next question comes from Taher Safieddine with J.P. Morgan, asking, can we get some colour on the UAE Development portfolio presales going into Q4? We have seen some new launches. Also, can you comment on land replenishment in Dubai? Where are we on this plan?

**Faisal Falaknaz** So, we just announced The Row, which is a luxury apartment offering just opposite the Zayed National Museum. So, this is a new district in the Saadiyat Cultural District. There's another launch that we're probably going to do by year end. That's what we have on the plate for now, and we think that will deliver the guidance that we need. Don't forget, we continue to sell inventory quite well. A good indication on how well inventory sales have been is, we have sold almost 80% of our opening inventory position in December 24.

So, we're not only relying on new launches. We're relying on continuing to sell inventory so that we don't continue building up significant inventory levels. In terms of the replenishment in Dubai, it continues to be a priority. As soon as we have any updates, we'll keep you posted.

**Operator** Thank you. Our next question comes from Aaron Armstrong with Ashmore Investment Management, asking, please can you discuss the presales performance on the International business and when you expect this to recover?

**Faisal Falaknaz** Sorry, to discuss...? Apologies. So, yes, the International business, I believe, is down. International sales are down 50% year on year. We should see a decent recovery from SODIC in Q4. And then I think, with the rest of the businesses next year, there's been some positive news coming out of the UK on the Home Safety Act and the Government putting legislation to expedite development approval. So, we're still early in the game there, I think, but, yes, we think you'll see some improvement starting Q4 and then more starting next year.

**Operator** Thank you very much. Our next question comes from Seki Mutukwa, asking, looking into Aldar Development UAE-only presales in 2026, does your base case assume higher average selling prices per square feet and more launches than 2025 to drive the growth?

**Faisal Falaknaz** We will come back to you after full-year results.

**Operator** And the next question asking, hi, thanks for taking my questions. Excluding M&A, what is your net profit target for 2030? And what is the remaining GDV yet to be recognised, in terms of revenues from your Abu Dhabi Development portfolio, that Saadiyat, Yas Island, Fahid, Shams and Alreeman combined?

**Faisal Falaknaz** On the net profit target, there's a lot that can change over the next four years, so I would say, it's not an exact science. It's on us, as the Management team, to deliver on that number. The how, we will figure it out. And then, on the remaining GDV, at least on what we've reported from the 57 billion, I think about 36-37 billion of that comes from Abu Dhabi.

**Operator** Our next question comes from Rawan Shaker with SICO, asking, out of the sales of AED 9.1 billion in 3Q 25, how much is Al Deem Townhomes?

**Faisal Falaknaz** If you look at slide 21, which has your sales breakdown, it's about AED 1.6 billion.



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**Operator** And the next question from Boudewijn Schoon with Aegon, asking, dear Sir, I have three questions. Can buyers that are included in the backlog withdraw from these sales? And how do you expect working capital to develop as a percentage of sales? Is it indeed coming down? Would it remain stable or increase? And do you change your strategy to cope with the amount of residential supply coming, potentially, to the market? Thank you.

**Faisal Falaknaz** So, on buyers, no, they cannot withdraw. This is a hard commitment, and if they do, there are penalties associated with that. The only reason they can withdraw, if there's an amicable agreement between us and them. Working capital, the guidance that I've typically given is, for every billion that we sell, we probably need somewhere between AED 200-250 million in working capital requirements. And then the last question, do you change your strategy to cover the amount of supply. No, not really, especially in Abu Dhabi. I think the supply/demand dynamics are quite healthy.

Abu Dhabi today, I believe, has no more than 40,000-50,000 residential units under planning or construction. So, there's surely significant pent-up demand for very high-quality real estate. And Aldar is a lifestyle brand and a brand that's focused on providing communities that focus on wellness, green living, surrounded by schools, etc. I think we have a very strong competitive advantage. The only caveat to that, I'd say, is the point I mentioned earlier, is we've been very focused on premium and above. We want to start catering more to middle income. So, that's something that's going to start slightly contributing more to our portfolio going forward.

**Operator** And the next question asks, price point-wise, from 2025 sales, this year, Aldar has higher price point compared to 2024. How do you view your profit margin in the next one to two years from this mix?

**Faisal Falaknaz** From the current mix, I think it's pretty much in line with where we are currently, around that 35% mark. Obviously, you have projects that are significantly higher, and you have some projects that are slightly lower because we pay for land, etc. Luxury product obviously attracts much higher margin, for example. But I say, we continue to be very committed to delivering a 40% plus gross profit margin on our UAE Property and Development and Sales business.

**Operator** And our next question. Thanks for taking the question. Given you are on track to reach the upper end, and possibly beat, the FY 25 guidance on EBITDA, why did you refrain from upgrading guidance like you did last year at the nine-month 24 results? Any reason not to do it this year? And is it fair to assume a much stronger presales performance giving launch calendar and 4Q, i.e., AED 10 billion or better?

**Faisal Falaknaz** We like to keep a good surprise. On a serious note, the biggest risk we have is our supply chain. So, we just need to make sure that we deliver on our value of work done targets. So, we set the upper end of the range, because there's a high probability that we're going to hit that. But it's not entirely in the bag. So, we didn't want to say we're going to exceed guidance, because there's a risk that we might not exceed guidance, but we feel good about it. There's a good probability that we will exceed guidance, but let's see how the year goes.

**Operator** Our next question comes from Harsh Mehta with Goldman Sachs. Your line is now open. Please go ahead.

**Harsh Mehta** Thank you. Faisal, just one more question. In the press release, you've mentioned, you acquired 40% stake in Al Maryah Tower from Mubadala, and it mentions that Aldar has exercised its option to acquire



the stake. I was just hoping to know, on all the other joint ventures that you have with Mubadala, do you also have a right to exercise the option to acquire Mubadala's stake, or this was unique just with this particular asset?

**Faisal Falaknaz** So, I think we've highlighted, in the past, Harsh, the agreement with Mubadala was, there will be a path towards consolidating our ownership. So, this is structured all across our partnerships with them. Now, the only exception, obviously, is the development to sell joint ventures that we have, which are self-liquidating in nature. But on the develop-to-hold portfolios, yes, we do have the option to take Mubadala out at market value within a certain period.

**Harsh Mehta** Understood. That's very clear. And just for this asset, it seems there was around 20% uplift in market value between 2022, when you initially coinvested, versus now. So, that's, again, as you say, based on the current market trends and occupancy or the yields that you're generating. Is that fair?

**Faisal Falaknaz** Al Maryah Tower, we did incredibly well. This building had some structural issues. We bought it out of a bankruptcy. I think it cost us, all in with the rectification, about AED 450 million, and I think it's sitting on the books today, north of AED 800 million.

**Harsh Mehta** Got it. That's clear, thank you.

**Operator** Our next question asks, could you please comment on the gross margin profit for Al Deem Townhouses? Would it be consistent with the 30 to 35 margin guidance for property development?

**Faisal Falaknaz** That's a very good question because Al Deem is an exception, because it doesn't sit under the Property and Development and Sales segment. So, if you recall, under Aldar projects, we have what we call fixed-price contracts. So, the overall Balghaiylam projects, the National Housing Project, where we typically make margins north of 10%, I would say, Al Deem is a component of that overall margin. So, I would say, it's actually more than 10. Al Deem is quite accretive, given we were underwriting lower prices at the time, when we won this project. But today, obviously, prices have gone significantly up.

So, there's no specific margin like PDS margin that you can refer to, but this will be part of the revenue recognition that you see on the PDS segment through the fixed-price contracts.

**Operator** And the next question asks, do you expect any changes in the regulation that might materially impact the UAE real estate sector in 2026?

**Faisal Falaknaz** Not to my knowledge, but UAE Government is very pro-business and continues to push for regulations that will continue to attract more population, more investors, more job creation. So, whatever regulations come, I think we will continue to be key beneficiaries.

**Operator** And the next question comes from Jonathan Milan with Waha Capital. Since Abu Dhabi has only 40 to 50K units under construction and population is growing rapidly and not slowing down, why aren't you launching a lot more units? You have only 17K under construction, based on your presentation.

**Faisal Falaknaz** It's about being disciplined. You look at our growth over the past few years. We sell 3-4 billion. We doubled and doubled. We can't continue doubling forever, and we don't want to flood the market. We don't want



to be sitting on excessive inventory. So, we're growing responsibly with the market, with what the market wants, but again, Abu Dhabi, as a city, continues to have significant room for growth, both in terms of quantum and pricing.

**Operator** Thank you very much. Just as a reminder, if you would like to ask a question, press star, followed by one on your telephone keypad now. You can also submit a text question via the Q&A button on your browser. Our next question, asking, can we get an update on M&A pipeline within the recurring portfolio? What segments/geography are you looking to tap? Should we expect some large-ticket transactions to come through in the near term? And how should we think about dividend payouts amid a strong growth trajectory across the Group? Is priority for growth versus dividends at this stage?

**Faisal Falaknaz** So, M&A, the closest eminent one is Galleria. There's going to be some capital deployment associated with that, just to maintain our 75% ownership there. I believe, year to date, we have invested AED 2.3 billion, so we're not that far off the guidance actually. If you remember the discussion we were having earlier in the year, we were saying, let's see, let's see. And I think things have surely moved in the right direction. We have stuff in the pipeline as well, and as noted always, I think the number one asset class that excites us is industrial and logistics. So, watch this space. Priority is growth. We will maintain our sustainable, progressive dividend policy, but we will prioritise growth.

**Operator** Thank you very much. That concludes the Q&A session. I will now hand back over to Faisal for any closing remarks.

**Faisal Falaknaz** Thank you all for your usual support. Again, I'd like to reiterate, we continue to feel very upbeat, very confident, and we're very excited to tell you about our full-year results in February and more excited to tell you about our plans to come. Thank you all.

**Operator** Thank you very much, Faisal, and thank you, everyone, for joining. That concludes today's call. You may now disconnect your lines.