

## **Majid Al Futtaim Announces Half Year Financial Results Robust Numbers Highlight Solid Revenue and Profit Growth**

### **Key Highlights:**

- Reported a 13% increase in EBITDA to AED 2.1 billion and a 5% increase in revenue to AED 18.9 billion in H1 2023, demonstrating the success of strategic initiatives to drive operational efficiency and profitability over the first half.
- Achieved net profit of AED 1.7 billion, an increase of 74% year-on-year.
- Majid Al Futtaim – Properties delivered 39% net revenue growth to AED 3.4 billion and a 22% EBITDA increase to AED 1.7 billion, aided by a rise in mall footfall, tenant sales and scale up of the residential business.
- Majid Al Futtaim – Retail digital sales revenue increased 13% over the first half of the year.
- Majid Al Futtaim – Entertainment expanded its Global Snow business, opening Snow Abu Dhabi, the capital's first indoor snow park and the Group's fourth indoor snow park.
- Issued USD 500 million Green Sukuk underscoring the Group's commitment to sustainable financing opportunities.
- In June 2023, the Mall of the Emirates was presented with a LEED Platinum Award for Operations and Maintenance following its certification in late 2022, making it the largest mall in the world to receive such certification.
- Maintained BBB credit rating in latest Standard & Poor's (S&P) and Fitch Ratings reports.

**Dubai, United Arab Emirates, 21 August 2023:** Majid Al Futtaim (“the Group”), the leading shopping malls, communities, retail, and leisure pioneer across the Middle East, Africa, and Central Asia, today announced its operational and financial results for the period ending June 30, 2023. During the first half of the year, Majid Al Futtaim reported a 5% increase in consolidated revenue to AED 18.9 billion, and EBITDA growth of 13% year-on-year to AED 2.1 billion.

Reporting growth across all its businesses, the Group's positive performance was underpinned by focused efforts to drive operational excellence and further buoyed by the UAE's thriving economy. The Group continues to maintain a healthy balance sheet with assets valued at approximately AED 68 billion.

Commenting on the results, Ahmed Galal Ismail, Chief Executive Officer, Majid Al Futtaim – Holding, said: “Majid Al Futtaim is successfully balancing strategic growth with profitable and responsible execution. Our efforts to drive defined business objectives across our portfolio with a renewed focus on operational excellence and productivity are delivering sustainable, profitable growth and value to our stakeholders.

“The economic buoyancy of the UAE in conjunction with our internal focus to unlock the inherent power of our ecosystem, has enabled the Group to deliver a solid half year performance. Majid Al Futtaim will continue to evolve, anchoring strategic choices in value-creation that support the evolving needs of our customers, colleagues and communities across the region.”

### **Operating Company Performance**

**Majid Al Futtaim – Properties:** Net revenue increased 39% year-on-year to AED 3.4 billion, while EBITDA grew 22% to AED 1.7 billion. Performance was primarily driven by UAE-based shopping malls and Tilal Al Ghaf residential real estate development.

Shopping Malls footfall increased 12%, boosted by Mall of the Emirates recording its highest ever first-half footfall. Tenant sales grew 7%, with UAE-based malls making the largest contribution. Hotels remained steady with occupancy rates and RevPAR (revenue per available room) growing at 3% and 2% respectively.

Tilal Al Ghaf maintained its impressive sales performance through the first half of the year, including the record-breaking sale of an ultra-luxury villa at Lanai Islands and the completion of 916 residential units, significantly contributing to the sustained growth of the Properties business.

**Majid Al Futtaim – Retail:** Driven primarily by the impact of currency devaluations across the Group's footprint, overall revenue declined by 2% to AED 14.1 billion with EBITDA dipping 7%. At a constant currency rate, revenue grew 8% and EBITDA grew 5%. Online performance of Retail's digital business remained strong, recording a 13% increase in revenue to AED 1.2 billion in the first half of 2023.

Over the same period, Majid Al Futtaim opened five new stores across the region, including two further Supeco low-cost, hybrid concept stores in Egypt. These efforts underline the Group's continued work to meet the growing consumer demand for digital and omnichannel experiences.

**Majid Al Futtaim – Entertainment:** Revenue increased by 4% to AED 822 million and EBITDA grew 39% to AED 46 million, as the cinemas business continues to recover from delays and adjustments to its content pipeline.

More broadly, Majid Al Futtaim's entertainment business continues to expand its footprint across the region. In June 2023, the Group opened Snow Abu Dhabi, the capital's first indoor snow park and the Group's fourth snow destination, underscoring its commitment to deliver innovative, family-friendly and immersive experiences across the region.

**Majid Al Futtaim – Lifestyle:** Revenue increased by 31% to AED 473 million and EBITDA improved by 300% to AED 12 million over the first six months of the year.

The Lifestyle business opened 11 new stores in the first half of the year and entered two new categories; Luxury Home and Beauty. In January, the business introduced prestigious Italian furniture brand, Poltrona Frau to the region, and in May opened the only Shiseido store outside of Asia. The new brands complement Lifestyle's pre-existing portfolio of 8 leading franchise and 2 homegrown brands and provide additional opportunity to further the business' consistent year on year double digit growth.

## **Progress on Sustainable Impact**

Majid Al Futtaim continues to lead the region in prioritising long-term sustainable growth aligned to science-based targets and validated by the Science Based Targets initiative (SBTi). The Group remains on track to become Net Positive in carbon and water by 2040 and through its commitment to phase out single-use plastics, supported by Government-mandated taxation in the UAE, Majid Al Futtaim has achieved 82% reduction in the consumption of single-use plastic.



The Group, recognised as a pioneer in sustainable financing for the region, issued its USD 500 million green sukuk in June this year. Proceeds from the issuance will be directed to funding eligible green projects under its 2019 green finance framework. This marks Majid Al Futtaim's fourth Green capital markets issuance underscoring its commitment to responsible financing and its overall ESG goals.

In June 2023, the Mall of the Emirates was presented with a LEED Platinum Award for Operations and Maintenance following its certification in late 2022, making it the largest mall in the world to receive such certification.

The Group has also maintained its low risk ESG rating by Sustainalytics.

## **Financing**

Majid Al Futtaim continues to maintain a strong financial and liquidity position backed by a well-balanced financing mix encompassing capital markets and bank financing. Net borrowings are at AED 15 billion, with most of the debt maturing 2026 onwards.

The Group has upheld its BBB credit rating with a stable outlook from Standard & Poor's and Fitch Ratings.

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## **About Majid Al Futtaim**

Founded in 1992, Majid Al Futtaim is the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia.

A remarkable business success story, Majid Al Futtaim started from one man's vision to transform the face of shopping, entertainment and leisure to create 'Great Moments for Everyone, Everyday'. It has since grown into one of the United Arab Emirates' most respected and successful businesses spanning 16 international markets, employing more than 45,000 people, and obtaining the highest credit rating (BBB) among privately-held corporates in the region.