

PRESS RELEASE

Majid Al Futtaim Announces Full Year 2023 Financial Results

Key Highlights:

- Reported a 12% increase in EBITDA to AED 4.6 billion and a 1% increase in revenue to 34.5 billion year on year.
- Achieved Net Profit of AED 2.7 billion, an increase of 12% year on year.
- Majid Al Futtaim – Properties recorded a 20% year-on-year increase in revenue to AED 6.9 billion and 21% increase in EBITDA to AED 3.6 billion due to the success of UAE-based shopping malls and Tilal Al Ghaf.
- Majid Al Futtaim – Retail digital sales revenue grew by 17% to AED 2.6 billion.
- Majid Al Futtaim – Lifestyle revenue increased by 29% and crossed the AED 1 billion mark for the first time.
- Maintained its low-risk ESG rating by Sustainalytics.
- Retained its BBB credit rating in latest Standard & Poor's (S&P) and Fitch Ratings reports.

Dubai, United Arab Emirates, 14 March 2024: 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 full year 2023. The company demonstrated a resilient financial performance, reflecting its strategic approach to its diverse portfolio of businesses and the strength of its core operations.

At year-end 2023, Majid Al Futtaim recorded a consolidated revenue increase of 1% to AED 34.5 billion, while EBITDA increased by 12% to AED 4.6 billion. The Group sustained growth across key performance metrics, underscoring its ability to generate healthy cash flows and maintained a healthy balance sheet. The Group's total assets increased to AED 69.7 billion, up from AED 66.1 billion in 2022.

Within 2023, the Group undertook a reassessment of its accounting policy with respect to Majid Al Futtaim Retail supplier benefits. Accordingly, this income is now recognised as credit against cost of sales instead of being classified as revenue. This restatement has no impact on the Group's net profit or EBITDA.

Commenting on the results, **Ahmed Galal Ismail, Chief Executive Officer, Majid Al Futtaim**, said: “Majid Al Futtaim's 2023 financial performance reflects our sustained focus to deliver value-accretive, profitable growth. The strong results from our Properties business, robust growth from our Entertainment and Lifestyle businesses, and promising delivery from our Majid Al Futtaim Retail digital transformation, which has delivered double digit increase in sales revenue, underpin the strength inherent to our diversified portfolio and the 43,000 employees that work tirelessly to bring our late Founder's vision to life.

“While we are not immune to the impact of the regional macroeconomic challenges, including currency devaluation in Egypt, Lebanon, Pakistan and Kenya, and the deeply concerning geopolitical events that are shaping market dynamics and consumer behaviours, we are confident in our ability to navigate the path ahead while delivering value to our stakeholders in 2024 and beyond.”

Operating Company Performance

Majid Al Futtaim – Properties: 2023 saw revenue grow by 20% year-on-year to AED 6.9 billion and EBITDA increase by 21% to AED 3.6 billion. This success was due to record breaking footfall and higher occupancy rates benefitting UAE-based malls as well as a solid performance from the Tilal Al Ghaf development.

Key business performance indicators maintained a positive trajectory, with the Shopping Malls business witnessing record tenant sales of AED 30 billion, an increase in overall occupancy to 96% and an 8% rise in footfall, welcoming 232m visitors.

Moreover, Majid Al Futtaim Hotels witnessed an 82% occupancy rate on hotel rooms in 2023. Hotels revenues increased 4% to AED 700 million in 2023, with RevPAR growing by 5% compared to 2022. These results were driven by the strong tourism in Dubai, with the city welcoming 15.37 million overnight international visitors in the first 11 months of 2023, a 20% increase in visitor numbers year-on-year.

Furthermore, the Group's flagship residential community, Tilal Al Ghaf, recorded a gross sales value of AED 4.7 billion on the back of continued strong demand for the luxury and ultra-luxury segments in 2023.

Majid Al Futtaim – Retail: Revenue declined by 4% on a restated basis to AED 24.7 billion, impacted primarily by currency devaluations in Egypt, Pakistan, Kenya, and Lebanon, and a shift in consumer sentiment related to geopolitical tensions in the region. EBITDA declined by 15% to AED 1.1 billion year on year. However, at a constant currency rate, revenue grew by 4% and EBITDA fell 4%.

The Group's Retail Digital business saw significant growth with revenue increasing 17% to AED 2.6 billion, contributing nearly 10% of Majid Al Futtaim Retail's revenues in 2023.

Additionally, Majid Al Futtaim Retail opened twenty stores across the region, including five Supeco low-cost, hybrid stores in Egypt in 2023.

Majid Al Futtaim – Entertainment: Revenue grew by 7% to AED 1.8 billion as the cinemas business continues to recover from delays and adjustments to its content pipeline. This reflected positively on EBITDA, which increased by 53% to AED 193 million in 2023.

Moreover, the Entertainment business has further expanded its regional footprint in 2023 with the opening of Snow Abu Dhabi in June 2023, the capital's first indoor snow park, and the Group's fourth snow destination.

Majid Al Futtaim – Lifestyle: Revenue increased by 29% and crossed the AED 1 billion mark for the first time, driven by a 20% year on year footfall increase through the 70 stores across the MENA region. Representing a significant milestone for the segment, the portfolio of stores in the Middle East generated AED 901 million in revenue, a 24% increase, and AED 104 million in digital sales in 2023. Moreover, EBITDA recorded a strong increase of 168% to AED 67 million in 2023, up from AED 25 million in the previous year.

Over the course of 2023, the Lifestyle business has scaled and expanded its offering, successfully inaugurating the newly designed Dubai store for Italian luxury furniture maker Poltrona Frau in May.

The opening complements Lifestyle's existing portfolio of 13 leading franchise brands and two homegrown brands.

Progress on Sustainable Impact

Majid Al Futtaim has continued to set the standard for sustainable growth in the region, launching a new phase of its Dare Today, Change Tomorrow sustainability strategy in 2023. Committed to achieving Net Positive status in carbon and water by 2040, the company has also made significant strides in reducing single-use plastic bag consumption by 87% in the UAE, thanks in part to the introduction of supportive government policies.

As an Associate Pathway Partner at COP28, the Group made progress in furthering its ESG agenda in 2023. Majid Al Futtaim Retail, alongside 16 Fast-Moving Consumer Goods (FMCG) partners, pledged to work with its suppliers to reduce Scope 3 emissions, in addition to implementing sustainable packaging, and offering healthier and more sustainable products. Majid Al Futtaim Retail launched the 'Choose Better' programme at COP28 to empower customers to make healthier and more sustainable choices that protect the planet and support local communities.

As a regional leader in sustainable financing, Majid Al Futtaim's issuance of a \$500 million green sukuk in June 2023 underscores its dedication to environmentally responsible investments, marking its fourth venture into green capital markets. This move aligns with its ambitious ESG objectives and its 2019 green finance framework.

Highlighting its achievements in sustainable operations, in 2023, VOX Cinemas, City Centre Mirdif became the first cinema ever to receive the highest sustainability award from the US Green Building Council (USGBC), an international standard for environmental building design and management, reinforcing Majid Al Futtaim's position at the forefront of environmental stewardship.

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, supported by a balanced strategy, encompassing both capital markets and bank loans.

The Group's net debt increased to AED 15 billion, primarily due to investments in working capital.

Additionally, Majid Al Futtaim has retained its 'BBB' credit rating with a stable outlook from Standard & Poor's and Fitch Ratings.

ENDS

To access the full report, click [here](#).

About Majid Al Futtaim

Founded in 1992, Majid Al Futtaim is a diversified lifestyle conglomerate spanning 15 countries across the Middle East, Africa and Asia. The company employs 43,000 people representing 114 nationalities and

welcomes 600 million customers to its shopping malls, communities, retail and entertainment destinations each year.

With owned assets valued at US\$19 billion, Majid Al Futtaim has the highest credit rating (BBB) among privately-held corporates in the region. The company is committed to becoming Net Positive in water and carbon by 2040.

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