

Majid Al Futtaim Announces Half Year Financial Results

Key Highlights:

- Achieved net profit of AED 1.6 billion while assets grew by 2% year-on-year.
- Reported 6% decline in revenue to AED 16.7 billion and 2% decline in EBITDA to AED 2.1 billion in H1 2024, affected by ongoing regional geopolitical conflict and FX devaluations.
- At constant currency rates, Group revenue declined by 3%, EBITDA increased by 1% and net profit increased by 1%.
- Majid Al Futtaim – Properties recorded 9% year-on-year increase in revenue to AED 3.7 billion and 11% growth in EBITDA.
- Launched its second residential project in Dubai, Ghaf Woods, which sold out its first phase within one week.
- Majid Al Futtaim – Retail registered an 11% drop in year-on-year revenue to AED 11.6 billion while its Retail Digital business delivered strong growth with revenue increasing by 16% and EBITDA growing 109% year on year.
- Grew its SHARE member portfolio by 8.2% to 4 million members.
- Maintained Standard & Poor's (S&P) and Fitch Ratings BBB credit rating for the 12th consecutive year.
- Maintained Sustainalytics' low-risk ESG rating.

Dubai, United Arab Emirates, 27 August 2024: Majid Al Futtaim (“the Group”), a 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, 2024. Despite macroeconomic headwinds from geopolitical instability and currency devaluations in the region, the Group delivered a stable performance, supported by its diversified portfolio and strong balance sheet.

During the first half of the year, Majid Al Futtaim reported a 6% decline year-on-year in consolidated revenue to AED 16.7 billion, a 2% decline year-on-year in consolidated EBITDA to AED 2.1 billion and a 6% decline in net profit after tax to AED 1.6 billion. At constant FX rates, the Group revenue declined by 3%, while EBITDA and net profit increased by 1% in the same period. The Group continues to maintain a healthy balance sheet with assets valued at approximately AED 70 billion, a 2% increase year-on-year.

Ahmed Galal Ismail, Chief Executive Officer, Majid Al Futtaim – Holding, said: “Majid Al Futtaim’s first half year results continue to underscore the strength of our diversified portfolio, protecting overall profitability despite the challenges within some of our current operating environments.

“Majid Al Futtaim Properties delivered a record performance, driven by the success of UAE-based shopping malls and strong consumer confidence in Majid Al Futtaim’s Tilal Al Ghaf and newly launched Ghaf Woods residential developments. Our Lifestyle company continued to see positive demand across its portfolio, while the Entertainment company showed encouraging progress in its cinema admissions, reflecting the steady return of quality content.

“The ongoing transformation of our Retail digital business has enabled solid progress in advancing our omnichannel aspirations. The appointment of new leadership in the second quarter is set to further strengthen Retail's performance through a turnaround plan focusing on market leadership through unrelenting customer-centricity.

“More broadly, for the remainder of the year the Group ‘s interests will continue to focus on strengthening its core, investing prudently to drive value creation for all stakeholders, and bringing great moments to our customers, communities and colleagues alike.”

Majid Al Futtaim Properties registered 9% year-on-year growth in revenues to reach AED 3.7 billion primarily driven by Tilal al Ghaf residential real estate development as well as an increase in revenues from the Group’s UAE shopping malls. EBITDA increased by 11% to AED 1.9 billion. At constant FX rates, revenue would have grown by 10% and EBITDA by 13%.

Shopping malls registered 8% year-on-year revenue growth and recorded 96% occupancy. Hotels reported an increase in revenue per available room (RevPAR) of 18% year-on-year mirroring Dubai’s increasing appeal as a tourism hub as the city welcomed over 9 million overnight visitors in the first half of 2024, while average occupancy was down by 2%. In March 2024, the Group sold a number of non-core assets from its hospitality portfolio.

Furthermore, the Group continued to drive sales across its residential community portfolio, booking AED 5.9 billion in gross sales in the first half of the year. In June, Majid Al Futtaim launched a new residential development in Dubai, Ghaf Woods, a first-of-its-kind integrated forest-living community, which saw its first phase of 1,000 units in Dubai sell out, demonstrating strong market interest and demand.

The Group’s Cinemas portfolio registered 3% year-on-year increase in admissions contributing towards a strong EBITDA growth of 103% for the period. The portfolio's growth was further complemented by the welcome addition of 13 new screens in KSA during the first half of 2024, including the launch of the multiplex at Jeddah Park by VOX Cinemas, offering a best-in-class movie-going experience with cutting-edge technology and experience. The Lifestyle business reported an increase in revenue by 23% to AED 584 million and added eight new stores in the first half, with a total of 78 stores across the region. While SHARE, the Group’s loyalty programme grew its membership by 8.2%, reaching 4 million members.

Majid Al Futtaim Retail registered an 11% year-on-year decline in revenue to AED 11.6 billion and a 47% year-on-year decline in EBITDA to AED 278 million. This is attributable to declining basket size resulting from dampened consumer sentiment following geopolitical conflict in the region and the impact of currency devaluation in Egypt and Kenya. With constant FX rates, revenue would have declined by 8%.

Majid Al Futtaim Retail’s discount grocery retail brand in Egypt, Supeco, continued to grow with four store openings in H1 and another 11 planned for the remainder of 2024. The success of the brand highlight’s Majid Al Futtaim’s commitment to meeting the changing demands of local markets.

Retail Digital, the company’s rapidly growing online vertical, achieved strong growth, with revenue up by 16% to AED 1.3 billion and EBITDA growing 109% year-on-year, turning positive for the first time. This strong performance, driven by operational efficiencies, underscores the Group’s commitment to ‘experience-led’ digital transformation.

Progress on Sustainable Impact

Majid Al Futtaim has continued to lead the way in responsible growth across the region, achieving significant milestones in the first half of 2024.



Tilal Al Ghaf District, a mixed-use development within Tilal Al Ghaf, earned the coveted BREEAM 'Excellent' certification, highlighting its superior sustainability credentials. Additionally, City Centre Al Zahia was honoured with the Sharjah CSR Excellence Award for its wide-ranging community initiatives, including events that promote health, inclusivity, and social responsibility.

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

The Group is making steady progress with Emiratisation with the percentage of UAE nationals crossing 11% for the first time in our history. Majid Al Futtaim is the only company in the UAE to win a NAFIS award two years in a row. Finally, we were recognised by LinkedIn as the highest-ranking privately-owned UAE business for career growth.

Financing

Majid Al Futtaim continues to maintain a strong financial and liquidity position backed by a well-balanced capital structure encompassing capital markets and bank financing. Net borrowings decreased to AED 14.6 billion, with most of its debt maturing 2027 onwards.

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

-ENDS-

About Majid Al Futtaim

Founded in 1992, Majid Al Futtaim is an Emirati-owned, diversified lifestyle conglomerate operating across the Middle East, Africa and Asia. The Group started from one man's vision to transform the face of shopping, entertainment, and leisure to 'create great moments for everyone, every day'. It has since grown into one of the region's most respected businesses, employing more than 43,000 people, with owned assets valued at US\$18 billion and has the highest credit rating (BBB) among privately held corporates in the region. Majid Al Futtaim owns and operates 29 shopping malls, seven hotels and five mixed-use communities, welcoming more than 600 million customers through its doors every year.

Majid Al Futtaim operates more than 600 VOX Cinemas screens as well as a portfolio of world-class leisure and entertainment experiences across the region including four indoor ski locations in Dubai, Abu Dhabi, Cairo and Oman as well as family entertainment centres Magic Planet and Little Explorers. It is the proud owner of the flagship Mall of the Emirates, Mall of Egypt, and Mall of Oman with the iconic City Centre shopping malls rounding out its portfolio across the region. The Group partners with world-class fashion, home and beauty retail brands with over 70 stores across the GCC, including lululemon, LEGO, Crate and Barrel, Shiseido and THAT, a Majid Al Futtaim multi-brand concept store and app. It is also the exclusive franchisee for Carrefour across markets in the Middle East, Africa and Asia, serving 770,000 customers daily. These offerings are powered by the UAE's fastest growing loyalty programme SHARE, which offers customers a more personalised and data driven experience. The developer of choice for the region, Majid Al Futtaim is the creator of mixed-use communities including Ghaf Woods and Tilal Al Ghaf in Dubai and Al Mouj in Muscat.

Majid Al Futtaim has continued to set the standard for sustainable growth through its Dare Today, Change Tomorrow sustainability strategy. The Group is committed to becoming Net Positive in water and carbon by 2040.

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