

PRESS RELEASE

Majid Al Futtaim Announces 2022 Full Year Financial Results

Key Highlights:

- Reported a 4% increase in EBITDA to AED 4.1 billion and a 12% increase in revenue to AED 36.3 billion.
- Achieved net profit of AED 2.4 billion, a decrease of 2% year-on-year
- Increase in Majid Al Futtaim - Properties revenue by 43% to AED 5.8 billion and EBITDA by 16% to AED 3 billion.
- Majid Al Futtaim – Retail's online sales continued their growth trajectory reporting revenue increase from digital sales by 51% year-over-year.
- Visitor numbers to shopping malls increased by 16%, while tenant sales rose by 11% year-on-year.
- Maintained 'Green Star' status from the Global Real Estate Sustainability Benchmark GRESB.
- Maintained BBB credit rating in latest Standard & Poor's (S&P) and Fitch Ratings reports

Dubai, United Arab Emirates, 6 March 2023: Majid Al Futtaim, the leading shopping malls, communities, retail and leisure pioneer across the Middle East, Africa, and Central Asia, today announced its audited operational and financial results for 2022. The Group has remained resilient despite increasing challenges in the form of inflation, supply chain pressures and energy shortages slowing global economic growth in 2022. Majid Al Futtaim's consolidated revenue increased by 12% to AED 36.3 billion and EBITDA grew by 4% to AED 4.1 billion, driven by the Group's solid operational performance and relentless focus on improving the customer experience through investments in digital transformation, data analytics and loyalty programs. The Group reported a 2% decrease in net profit to AED 2.4 billion and continues to maintain a strong balance sheet, with assets valued at approximately AED 66 billion, up 9% year-on-year, and net borrowings of AED 14.2 billion.

Ahmed Galal Ismail, Chief Executive Officer, Majid Al Futtaim – Holding, said;

"Overall, Majid Al Futtaim delivered balanced growth through 2022. Positive contributions from across our portfolio, bolstered by the inherent strength of the UAE economy, have enabled the Group to achieve double digital revenue growth despite the ongoing macroeconomic challenges. The potential impact of these headwinds has been further lessened by the outstanding performance of our Properties portfolio, which has contributed 74% of total EBITDA.

We continue to uphold the values that constitute the Majid Al Futtaim institution, underpinned by solid financial standing and a robust balance sheet. We remain fully committed to delivering value-accretive profitable growth for our shareholders and contributing to the sustainable growth and prosperity of the MENA region."

Majid Al Futtaim continues to benefit from a sustained upturn in consumer confidence, reflected in an increase in shopping malls footfall, higher hotel occupancy and admissions at cinemas, leisure and entertainment venues.

Retail trends, such as consumer demand for digital and omnichannel experiences, have continued to accelerate. The Group continues to be well positioned to leverage digital opportunities to invest, innovate and enhance its offering to meet consumers' evolving wants and needs.

Majid Al Futtaim remains committed to positive and sustainable economic and societal change in the region. The Group is on track to meet its commitment to achieve a positive water and energy footprint by 2040 and eliminate single-use plastic in all its operations by 2025. In addition, Majid Al Futtaim's flagship shopping centres, Mall of the Emirates and Mall of Oman, received LEED Platinum certification, adding to the company's green certified properties which now span 4 million square meters.

In September 2022, Majid Al Futtaim signed its second Sustainability-Linked Loan (SLL), structured as a USD 1.25 billion Revolving Credit Facility (RCF) tied to the Group's environmental, social and governance (ESG) related targets, further reinforcing its commitment to achieving its ESG ambitions.

In addition, the Group maintained the 'Green Star' status from the Global Real Estate Sustainability Benchmark (GRESB) for implementing outstanding sustainability practices, strengthened by the progress made against its 2040 net positive commitment and greenhouse gas emissions validated this year by the Science-Based Targets initiative (SBTi). The Group also maintained its low risk ESG rating by Sustainalytics.

Operating Company Performance

Majid Al Futtaim – Properties: Majid Al Futtaim - Properties' revenue increased by 43% to AED 5.8 billion, while EBITDA grew 16% to AED 3 billion. This was driven by robust performance across the hotels and communities' businesses and bolstered by the continued strong recovery across Shopping Malls, including the full year impact of City Centre Al Zahia in Sharjah and Mall of Oman in Muscat, which opened in 2021. Shopping mall footfall increased 16% to 212 million visitors, whilst tenant sales grew 11%

Meanwhile, Majid Al Futtaim Hotels portfolio revenue increased 48% to AED 671 million, driven by events such as EXPO 2022, increased demand during Saudi holidays, and the Qatar World Cup. RevPAR (revenue per available room) and average occupancy increased by 50% and 14%, respectively.

In addition, real estate development Tilal Al Ghaf, recorded gross sales value of AED 4.4 billion during the year, whilst recognising revenue of AED 1.8 billion as construction progressed.

Majid Al Futtaim – Retail: Majid Al Futtaim - Retail reported a 7% increase in revenue to AED 28 billion in 2022, driven by renewed consumer confidence, easing of COVID-19 restrictions, and rebound in travel and tourism in countries where Majid Al Futtaim operates. Retail EBITDA declined 14% to AED 1.2 billion.

The Operating Company has expanded its presence in the region, opening 7 hypermarkets and 28 supermarkets across 9 countries and bringing the total number of stores to more than 450.

Majid Al Futtaim Retail's long-term investment in enhancing its omnichannel offering contributed to revenue growth from digital sales by 51% year-over-year.

Majid Al Futtaim – Entertainment: Majid Al Futtaim - Entertainment revenue increased 23% to AED 1.6 billion while EBITDA grew 68% to AED 126 million, primarily due to improved performance following the relaxation of occupancy restrictions and the release of strong movie content. The signing of distribution rights with Warner Bros. Pictures, which was followed by securing distribution rights for Universal in 14 countries in the MENA region starting February 2023, is expected to fuel further growth for Majid Al Futtaim Entertainment.

Majid Al Futtaim – Lifestyle: Majid Al Futtaim - Lifestyle reported revenue of AED 801 million, up 38% year-on-year driven by a strong performance across its brands. The Operating Company realised EBITDA growth of 317% to AED 25 million.

Future Investment

The Group plans further expansion in high growth potential markets such as KSA and Egypt, as well as in its home market, the UAE, amid a resurgence in consumer confidence.

The Group will also continue to invest and expand its omnichannel presence, to ensure the business is future-proof and is delivering on the changing customer needs.

Financing

Majid Al Futtaim continues to maintain a strong financial and liquidity position. Following several refinancing actions taken through the year, the Group's debt maturity profile remains balanced, with a mix of capital markets and bank financing.

Against the backdrop of challenging macroeconomic conditions and volatile financial markets, in June 2022 the Group tendered its outstanding hybrid notes of USD 500 million with a first call date in September 2022 and replaced them with new green hybrid notes of USD 500 million with a first call date in September 2027. This was the Group's first hybrid transaction in green format and the first green hybrid bond issued by a company in the MENA region.

The Company's credit rating has been maintained at 'BBB' with a stable outlook by both Standard & Poor's and Fitch Ratings. The ratings reiterate the Company's credit strengths, resilience of its

business model, quality of assets, strong corporate governance, and prudent financial management.

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About Majid Al Futtaim

Founded in 1992, Majid Al Futtaim is a diversified lifestyle conglomerate spanning 16 countries across the Middle East, Africa and Asia. The company employs 46,000 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 AED 66 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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