Dubai mall firm Majid Al Futtaim 2015 revenue rises 8 pct

1 February 2016

Dubai’s Majid Al Futtaim reported an eight percent rise in annual revenue on Monday after the privately-owned firm expanded some of its shopping malls and opened more supermarkets.

The firm holds the Carrefour franchise in 38 markets in the Middle East, Africa and central Asia, operating about 150 outlets in 13 countries.

Revenue includes sales from about 25 new stores opened last year. The firm does not provide like-for-like store sales figures.

Majid Al Futtaim's total revenue was 27.3 billion dirhams ($7.43 billion) in 2015, generating earnings before interest, tax, depreciation and amortisation (EBITDA) of 3.8 billion dirhams, 6 percent higher than in 2014. It did not disclose net profit.

The revenue and EBITDA increases “demonstrated the strength and resilience of our business against a backdrop of a regional economic slowdown”, chief executive Alain Bejjani said in a statement.

Business activity growth in the United Arab Emirates' non-oil private sector slowed to a 40-month low in December, although the sector was still expanding, a recent survey showed.

Wholesale and retail trade accounted for 28.3 percent of Dubai’s GDP in the first half of 2015, the biggest contributor to the emirate’s economy, official data shows.

The chairman of a top retail chain in Saudi Arabia, Jarir Marketing Co, told Reuters last week that consumer spending there was slowing as low oil prices hit households' disposable income.

Majid Al Futtaim's property business, which includes 19 shopping malls and 12 hotels, reported a 7 percent rise in annual revenue to 4 billion dirhams, while EBITDA increased 9 percent to 2.6 billion dirhams.

The division attracted 171 million visitors in 2015, up 3 percent from a year earlier as the company opened two new malls and expanded two others in Dubai.

Hotel revenue per available room (RevPar) - a key industry metric - fell about 7 percent.
Majid Al Futtaim’s lower-margin retail arm, which includes its Carrefour franchise, posted a 7 percent rise in annual revenue to 22 billion dirhams, providing EBITDA of 1.2 billion dirhams which was up 2 percent.

Emaar Malls, a unit of Emaar Properties and Majid Al Futtaim's main domestic competitor, reported a 17 percent rise in third-quarter net profit in October.

$1 = 3.6726 UAE dirham