EMAAR | MALLS

Press Release

Emaar Malls closes 2019 with 5% growth in revenue reaching to AED 4.673 billion (US$ 1.272 billion)

Dubai, United Arab Emirates; February 09, 2020: Emaar Malls (DFM: EMAARMALLS), the shopping malls and retail business majority-owned by Emaar Properties (DFM: EMAAR), recorded a 5 per cent increase in revenue to AED 4.673 billion (US$ 1.272 billion), compared to the 2018, AED 4.446 billion (US$ 1.210 billion). Overall net profit in 2019 amounted to AED 2.286 billion (US$ 622 million), similar to net profit for 2018 of AED 2.230 billion (US$ 607 million).

Revenue grew by 4 per cent to AED 1.261 billion (US$ 343 million) during the last quarter of 2019 (October to December) when compared to same period in 2018.

Namshi

Namshi, the regional e-commerce fashion and lifestyle platform was fully acquired in 2019 by Emaar Malls. The online retailer reported sales in Q4 2019 of AED 339 million (US$ 92 million), an increase of 40 per cent compared to the last quarter of 2018. During 2019, the wholly owned subsidiary of Emaar Malls recorded sales of AED 1.028 billion (US$ 280 million) increasing 21 per cent compared to the previous year. Namshi's consistent success is attributed to its popular 'Black November' campaign and considerable growth in the Saudi market.

Strong occupancy and footfall

Occupancy levels within Emaar Malls assets – The Dubai Mall, Dubai Marina Mall, Gold & Diamond Park, Souk Al Bahar and the Community Retail Centres – was consistent at 92 per cent. In 2019, there were approximately 136 million visitors collectively with The Dubai Mall maintaining its exceptional performance welcoming 84 million visitors in 2019.

Engaging loyalty programs across Emaar Malls entities are said to have fueled the growth seen in 2019. Strategic partnerships including the Emirates Skywards programs play a vital role in the Emaar Malls customer engagement strategy.

Commenting on the 2019 performance, Mohamed Alabbar, Chairman of Emaar and Board Member of Emaar Malls, said: "2019 was a great year for Emaar Malls with occupancy and visitor levels growing steadily. This uptick is a result of our continuous innovation as we refresh the customer journey, diversify our portfolio and invest in opportunities to bring our destinations to life. Examples of this include the recently opened Zabeel Extension at The Dubai Mall and the complete acquisition of Namshi, both of which contributed to our achievements in 2019. We expect to see this success continue through 2020, as we focus on loyalty programs to drive repeat visits and open new destinations to welcome inbound tourism driven by Expo 2020."

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Upcoming Assets

In line with the Emaar growth strategy, Emaar is set to open Dubai Hills Mall in Dubai Hills Estate in Q4 2020. The 2 million square foot retail establishment will feature nearly 550 retail and entertainment destinations including four major family entertainment and leisure centres along with a cineplex, hypermarket, seven anchor retail experience stores, and over 7,000 parking spaces. Emaar Malls is also redeveloping Meadows Village to increase its GLA by approximately 95,000 sq. ft, and is scheduled for completion in 2020, further enhancing its Community Retail Centres.

Emaar Malls has partnered with Time Out Group PLC and is set to open first Time Out Market in the region at Souk Al Bahar, an Arabic-style retail, entertainment and dining destination right at the heart of Downtown Dubai. The unique waterfront location just by The Dubai Fountain and adjacent to The Dubai Mall and Burj Khalifa is one of the region's prime destinations, attracting millions of visitors each year.

At Time Out Market Dubai, visitors will get to explore and enjoy food from 16 of Dubai's top chefs and celebrated restaurateurs with three lounges and cultural experiences. The carefully curated lifestyle experience is set to define a new niche for the city and complements the current culinary offering. Emaar Malls is committed to bringing innovative entertainment attractions by working with global partners such as Time Out. With the opening expected in Q4 2020, Time Out Market will occupy 30,000 sq. ft., accommodating around 670 seats.

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Note to Editors

About Emaar Malls:

Emaar Malls' properties include some of the most iconic malls, entertainment and community integrated retail centres in the Middle East, including The Dubai Mall, its flagship asset, which has been the most visited shopping and entertainment mall worldwide in each of the last five years.

Emaar Malls also owns and manages Souk Al Bahar, an Arabesque style dining and entertainment development in Downtown Dubai; Dubai Marina Mall, a lifestyle shopping mall for residents and visitors of the Dubai Marina community; and Gold & Diamond Park, a shopping destination dedicated to gold and jewellery.

Emaar Malls' properties are developed as an integral part of the master plan developments of its controlling shareholder, Emaar Properties, and, therefore, are strategically located in key areas of Dubai that benefit from favourable socio-economic demographics and increasing tourism.

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Emaar Malls PJSC
Consolidated Income Statement

(AED Millions)

	For the quarter ended			For the quarter ended			For the year ended		
	31 Dec 2019	31 Dec 2018		31 Dec 2019	30 Sep 2019		31 Dec 2019	31 Dec 2018	
	Unaudited	Unaudited	% change	Unaudited	Unaudited	% change	Unaudited	Audited	% change
Revenue	1,261	1,214	4%	1,261	1,185	6%	4,673	4,446	5%
Cost of revenue	(398)	(304)	(31%)	(398)	(314)	(27%)	(1,241)	(1,082)	(15%)
Gross profit	863	910	(5%)	863	871	(1%)	3,432	3,364	2%
Sales, marketing, general & administration expenses	(149)	(156)	4%	(149)	(113)	(32%)	(526)	(522)	(1%)
Gain on disposal of assets held for sale [1]	-	-		-	8	(100%)	8	48	(83%)
Earnings before interest, depreciation and amortisation	714	754	(5%)	714	766	(7%)	2,914	2,890	1%
Depreciation and amortisation	(113)	(113)	0%	(113)	(111)	(2%)	(443)	(455)	3%
Finance costs - net	(47)	(61)	23%	(47)	(53)	11%	(191)	(235)	19%
Minority interest	-	11	(100%)	-	-	-	6	30	(80%)
Net Profit	554	591	(6%)	554	602	(8%)	2,286	2,230	3%

Chairman.....

Date:- 09-Feb-2020

Notes:
1. Divestment of non-core assets.