

## E7 Group Reports H1 2024 Net Profit Growth of 93% and EBITDA Growth of 4%

***Achieves Q2 Net Profit Growth of 126% and Q2 EBITDA Growth of 31% as Key Contracts Secured Across All Business Segments***

**Abu Dhabi, United Arab Emirates, 13 August 2024:** E7 Group PJSC (“E7” or “the Group”), a provider of commercial printing, security printing and solutions, sustainable packaging, and distribution services (ADX: E7), today announced its results for the six-month period ended 30 June 2024.

### H1 2024 Financial & Operational Highlights

- Net profit before tax up 93% YoY to AED 100.2m
- Revenue of AED 300.8m, up 5% YoY
- EBITDA of AED 70.9m, up 4% YoY
- Cash and bank balances of AED 1.28bn at the end of H1, providing a platform for future growth
- New contract wins in H1 with a combined value of AED 285.3m
- Printing, Security, Packaging and Tawzea segments secured key contracts and expanded market presence in H1 2024.
- Continued progress on strategic initiatives across all business segments

**Ahmed Al Shamsi, Chairman of E7 Group,** said:

*“E7 Group delivered a strong set of results in Q2, demonstrating the strength of our business model and the ongoing successful execution of our growth strategy. Buoyed by the ambition and growth of the UAE economy and the wider region, we continue to capitalise on the momentum we’ve built in the high-growth security solutions segment and expand in sustainable packaging, exporting more UAE-made products to the world. Our impressive 93% increase in net profit before tax and significant EBITDA growth during the quarter reflects our ability to capitalise on these robust economic conditions. We’re confident we’ll maintain this momentum and deliver exceptional value to our stakeholders through 2024 and beyond.”*

**Ali Saif Ali Abdulla Alnuaimi, Group Chief Executive Officer of E7 Group,** said:

*“Our stellar performance in the second quarter of 2024, including EBITDA growth of 31%, is a testament to our team’s relentless focus on operational excellence and delivering on our strategic growth objectives, across our business. We secured several significant long-term contracts and expanded our customer base, while also strengthening our long-term partnerships with established Government partners in the UAE and internationally. Our planned investments in increasing production capacity and diversifying in the security solutions segment demonstrate our commitment to innovation and expansion and will open opportunities in new geographies. Our ongoing focus on organic and inorganic growth cements our position as a leader in our sector.”*

### **Strong Revenue Growth and Margin Expansion**

E7 Group demonstrated robust financial performance in both Q2 and H1 2024. In Q2 2024, the Group delivered 10% year-on-year revenue growth to AED 174.8m, contributing to robust 5% year-on-year growth for H1 2024. This performance was driven by growth in E7 Security, E7 Printing and E7 Packaging, and the successful execution of new contracts in the UAE and abroad.

**EBITDA** for Q2 2024 totalled AED 51.9m, a 31% improvement year-on-year. EBITDA margin in Q2 2024 increased to 30%, compared to 25% in Q2 2023, reflecting E7 Group’s ongoing focus on operational

efficiency, while benefiting from raw material cost optimisation and a focus on high-margin product segments. For H1 2024, EBITDA margin stood at 24%, in line with H1 2023.

**Net profit before tax** increased to AED 71.0m in Q2 2024, a record increase of 126% year-on-year, with net profit margin nearly doubling to 41% from 20% in Q2 2023. For H1 2024, net profit before tax grew by 93% to AED 100.2m, with margin significantly increasing from 18% to 33% year-on-year. Net profit after tax for Q2 and H1 was AED 64.5m and AED 91.1m respectively.

E7 ended the period with **cash and bank balances** of AED 1.28bn, providing a solid foundation to fund future growth opportunities.

During Q2, E7 Group's total assets increased, a pivotal driver for which is the recognition of land at fair value of AED 90mn which was received without consideration. This followed an independent valuation process by a reputed company.

### **Strategic Contract Wins and Global Partnerships Driving Future Growth**

E7 Group secured multiple high-value contracts during H1 2024, with a combined value of AED 285.3m, laying a strong foundation for future growth. Key wins included:

**E7 Security:** Signed a Memorandum of Understanding (MoU) with a prominent German manufacturer of identity and security systems that will see E7 provide world-leading capability and production services.

**E7 Printing:** Secured a three-year exam printing tender and a three-year curriculum supply tender for a federal government entity, collectively valued at approximately AED 79m annually. The segment also achieved record sales for Asian curriculum schools and renewed its strategic contract with Etisalat.

**E7 Packaging:** Successfully onboarded new clients from the luxury and F&B sectors, strengthening its market position in high-value segments.

**Tawzea:** Secured a new contract with a UAE Government ministry for secure document shipments, aligning with its strategy to expand its government sector clientele. Tawzea achieved impressive 20% year-on-year growth in shipments in the first half of 2024.

E7 Group also made significant strides in ESG initiatives and operational excellence across all segments. E7 secured MasterCard CEC (Eco-Card) Certification, renewed its GSMA SAS certification and refreshed its Supplier Code of Conduct to include ESG assessments. The Group has also made significant progress in diversity and inclusion, Emirati talent development, and operational certifications, further solidifying its position as a responsible and forward-thinking industry leader.

### **Major Investment in High-Value Security Solutions**

In June, E7 announced a substantial AED 182 million investment to support its entry into digital tax stamp production and exponentially expand its passport manufacturing capacity. This planned investment follows E7's successful expansion into new markets in Q1 2024 and aligns with its recently released Groupwide growth strategy.

### **2024 Outlook and Financial Guidance**

Leveraging E7 Group's robust H1 2024 performance and aligned with its ambitious growth strategy, management expects single-digit revenue and EBITDA growth for Full Year 2024. Maintenance CAPEX is expected to remain at similar levels to previous years (1.5%) and, as announced in June, the Company has committed to expansion CAPEX of AED182 million to support the Group's entry into digital tax stamp

production while exponentially expanding its passport manufacturing capacity. Additional CAPEX for inorganic growth will be deployed based on availability of opportunities.

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## Financial Overview

(H1 2024 = Six-month period to 30 June 2024)

(Figures expressed in AED '000)

Description	Q2 2024 (AED'000)	Q2 2023 (AED'000)	% Change	H1 2024 (AED'000)	H1 2023 (AED'000)	% Change
Revenue	174,751	158,606	10%	300,797	285,964	5%
Gross Profit	60,830	48,655	25%	88,286	83,023	6%
EBITDA	51,986	39,738	31%	70,883	68,005	4%
Net Profit before FV adjustment on warrants	60,236	31,464	91%	87,585	52,029	68%
<i>Fair value adjustments of warrants</i>	10,782	-	-	12,615	-	-
Reported Net Profit before tax	71,018	31,464	126%	100,200	52,029	93%
Earnings Per Share (AED)	0.03	0.05	-36%	0.05	0.08	-45%

## About E7 Group

Established in 2006 in Abu Dhabi, E7 Group (ADX: E7) provides commercial printing, security printing and solutions, sustainable packaging, and distribution services. E7 has a strong track record of utilising best-in-class technology to create customized customer solutions. The company continues to strengthen its position as an integrated services provider to a diverse and expanding customer base, including governments, enterprises, and financial institutions, with customers located in the Middle East, Central and South Asia, Europe, and South America. For more information, visit [www.E7group.ae](http://www.E7group.ae).

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