

## OVERWEIGHT

Target price (AED)	2.02
Share price (AED)	1.16
Potential upside (%)	74.1

### Share details

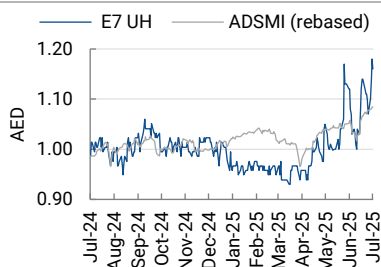
6M avg daily value (USDmn)	0.98
%Δ: m-o-m / 6M / y-o-y	3.57 / 20.0 / 17.6
Rel. %Δ: m-o-m / 6M / y-o-y	1.00 / 14.1 / 7.70
No. of shares (mn)	1,999
Market cap (USDmn)	632
Market cap (AEDmn)	2,319

### Ownership structure (%)

Q Industrial Holdings Ltd	39.8
Chimera Investments LLC	6.56
United Eastern General Trading	6.31
International Aviation Holding	5.59
Treasury shares <sup>(1)</sup>	4.76
Free float	37.0

Note: (1) 100mn treasury shares held as of 31 Mar-25. ADX calculates shareholder percentages including treasury stocks

### Performance



Source: Bloomberg  
Closing price as of 10 July 2025

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## E7 GROUP (E7)

E7 UH / E7.AD

## Unique exposure, growing footprint; Initiate at OW

**An overlooked story; undemanding valuation.** E7 Group, a leading Abu Dhabi-based integrated printing solutions provider, offers end-to-end services via a one-stop-shop model. Its portfolio spans security printing and identity management, sustainable packaging, commercial printing and publishing, education, and logistics. At its core segments, E7 runs a contractual-fixed price model, with c70% recurring revenue. Planned capacity additions and over AED120mn new contract wins should fuel earnings growth (2025–30e clean CAGR of 10%). E7 trades at 2026e EV/EBITDA of 4.2x, a c52% discount to global peers, despite superior margin profile and DY. The stock has been overlooked since its listing on 08 Nov-23, following the region's first SPAC merger, with ADQ as its largest shareholder, backing all growth initiatives.

**Anchor government contracts support revenue visibility.** We see E7 retaining its exclusive long-term pan-UAE security and commercial printing contracts, giving it an edge against geopolitical risks. Moreover, a pipeline of anticipated international security contract awards — leveraging the 5x passport capacity expansion to 14mn units p.a. set to come on stream in 2026e — adds 15% to top line, on our numbers. Rapid population growth and government digitisation initiatives in EM, alongside growing school enrolments in the UAE, all bode well for E7's key products. We look for total revenue to grow at a 2025–30e CAGR of c12%, with security printing (c60% of top line) being its key driver.

**Superior margin profile, moderating margin outlook.** Although E7 should continue to reap margin benefits of low-cost chip (main raw material) inventory procured in 2024, with a target c12-month coverage, we see EBITDA margin slightly moderating to c25% by 2030e, still ahead of peers. This would result from competitive pricing offered to land cross-border security printing tenders and growing revenue contribution of low-margin packaging (c10% by 2030e).

**Unlevered BS, clearly defined expansion plans.** With AED1.4bn in cash as of Mar-25 (62% of market cap) and zero leverage, we see E7 poised to pursue eyed growth avenues. In addition to AED182mn earmarked in Jun-24 for passport capacity expansion and entry into digital tax stamp production, funds shall be deployed towards value-accretive M&A in high-margin security and sustainable packaging segments across target regions. We see FCFF growing at a 2026–30e CAGR of c17% with 2026e FCFF margin at c15%. We downplay concentration risk due to sticky nature of security contracts, local printing edge, strong execution record and certifications, and ADQ backing.

### KPI summary

(AEDmn)	2023a	2024a	2025e	2026e	2027e
Revenue	632	701	788	995	1,074
EBITDA	161	179	198	255	273
Net income – clean <sup>(1)</sup>	142	195	207	244	259
P/E – clean (x) <sup>(2)</sup>	16.4	11.9	11.2	9.49	8.94
EV/EBITDA (x)	6.66	5.97	5.40	4.21	3.92
Dividend yield (%)	-	6.34	4.05	4.74	5.03

Source: Company data, CI Capital estimates

Note: (1) Excluding onetime non-cash listing expense and FX gains (losses) (2) Based on clean net income

**E7 Group (E7)**Diversified  
UAE

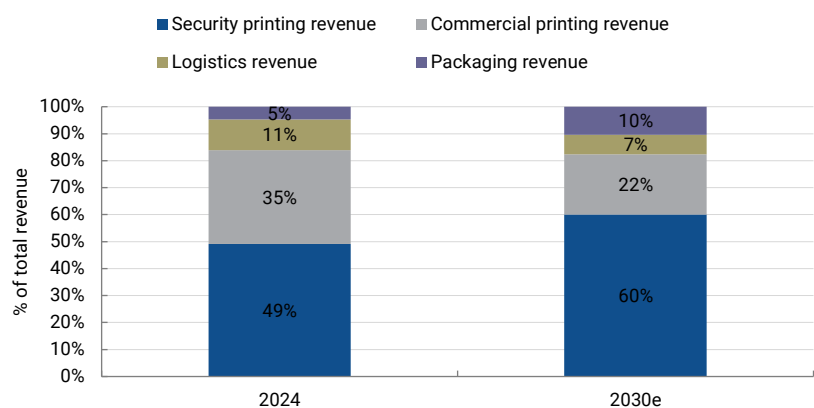
## Investment summary

Established in 2006 as United Printing and Publishing (UPP), a legacy government-owned commercial printing business with roots since the 1970s, Abu Dhabi's long-standing print powerhouse has evolved into the region's largest security and integrated print solutions provider. The company was renamed to E7 Group in 2023, after raising AED1.1bn through the region's first Special Purpose Acquisition Company (SPAC) combination. It operates across four main integrated verticals: **E7 Security** (security and identity management solutions, established in 2014 as United Security Printing (USP), 49% of 2024 revenue), **E7 Printing** (commercial printing and publishing, established in 2006 as United Printed and Publishing (UPP), 35% of 2024 revenue), **Tawzea' by E7** (logistics and distribution, transferred to E7 from Abu Dhabi Media company in 2016, 11% of 2024 revenue), and **E7 Packaging** (sustainable packaging, established in 2022, 5% of 2024 revenue).

Thanks to E7's long-term contractual business model for security and commercial printing, 70% of revenue is recurring in nature, with 83% of 2024 revenue generated from within the UAE. The company is the exclusive contractor for the UAE government for production of all physical ID documents (Emirates ID (EID), passports, driving licences, and vehicle registrations) since 2021. In addition, E7 Printing produces school textbooks for c1.2k schools across the UAE under a contract with the Ministry of Education (MoE) since 2020. Despite having the UAE government as its key client, receivable collection is quite timely, with trade receivable days expected to average at c120 days, down from 136 days in 2024.

We see E7 offering unique exposure to the high-growth, superior-margin security printing segment, with limited competition and high barriers to entry, alongside its legacy printing business, while leveraging its logistics and distribution arm (Tawzea') to complement other verticals locally, together making up c95% of 2024 revenue. E7's established track record in execution and delivery, high level of certification, quasi-government ownership (40% held by ADQ), and strong UAE G2G relationships should enable international expansion in security products to reach 60% of top line by 2030e. Expansion into its most nascent segment (E7 Packaging) serves as a complementary revenue stream, offsetting the imminent decline in the print industry globally. E7 Packaging focuses on niche sustainable packaging, with a target contribution of c10% to group revenue by 2030e. Clearly set criteria for M&A targets should support inorganic expansion in the security and packaging segments, utilising the SPAC proceeds.

### Security printing to remain key growth driver, with rising contribution from nascent packaging, and steady legacy commercial printing, distribution revenue streams



Source: Company data, CI Capital estimates

**E7 Group (E7)**Diversified  
UAE**Key reasons to own E7**

A seasoned player in the security solutions space, with solid credentials	Thanks to its high level of certification (such as Intergraf - ISO 14298 Management of Security Printing Processes [Central Bank level] – renewed in 2024, Visa, Mastercard, and UnionPay, among others), experience in international security protocols, and positive brand reputation, supported by high quality and reliability of its products, we see E7 a key enabler for achieving the UAE's ambition to become a smart, digitally connected nation and Abu Dhabi's goal of becoming a global industrial hub, backed by ADQ.
Unique product nature and client base make 70% of revenue recurring	With over 80% of revenue generated from within the UAE through long-term exclusive government contracts to supply physical identification documents (Emirates IDs, passports, driving licences) and MoE school textbooks, c70% of E7's revenue is considered recurring in nature, providing high revenue visibility and predictable cash flows.
Extending global footprint in high-margin security solutions space, with high barriers to entry and sticky contracts	From its high-tech facility in Abu Dhabi, E7 has extended its global footprint in identity printing solutions to clients in 19 countries. Leveraging UAE's geographical location and solid G2G relations, E7's state-of-the-art facilities and best-in-class identity solutions offering, the company aims to further expand its security business in key focus markets across the Middle East, Africa, Latin America, and Asia-Pacific (APAC).
Passport capacity expansion and entry into digital tax stamp production, while eyeing inorganic growth opportunities	With AED182 to be deployed in 2025e to expand passport production capacity five-fold and enable entry into the highly lucrative digital tax stamp segment, the company is well-poised to capitalise on the rising demand for secure printing solutions, positioning the UAE as a leader in security deployment. Through an active M&A pipeline, E7 aims to become a leading global contractor in the ID card segment, while expanding into digital identity and system integration solutions.
Foray into the high-growth sustainable packaging, with a potential M&A pipeline	Expansion into the niche sustainable packaging segment via value-accretive M&A is another top priority to grow the company's most nascent segment (E7 Packaging, established in 2022, with a production capacity of 19k tpa) and partially offset the inevitable decline in the physical legacy printing space.
Superior margin profile relative to peers, with room for enhancement from potential M&A synergies	Thanks to a favourable product mix and various cost efficiencies, E7 enjoys an above-average margin profile, with room for expansion from: (i) new contract wins within the high-margin security space, leveraging capacity additions; (ii) further cost optimisation via enterprise-wide digital transformation; (iii) synergy extraction through service bundling (e.g. track-and-trace); (iv) inorganic expansion into adjacent value-enhancing segments
High-calibre leadership steering strategic transformation and enhancing synergies	E7 Group executive leadership and board of directors combine deep industry knowledge, financial and strategic expertise. New hires in key leadership roles (CEO in Dec-24, CTO and CCO in early 2025) usher in a wealth of experience in driving change initiatives, with mandates to further enhance operational efficiencies, drive the organisation's digital transformation and maximise synergies/ cross-selling opportunities between different business units
Well-capitalised BS to pursue strategic growth objectives	With AED1.1bn in listing proceeds (AED1.4bn cash balance as of Mar-25, 62% of market cap) and zero leverage, E7 is very well-capitalised to pursue planned organic and inorganic expansions into adjacent value-enhancing segments.
Stable cashflow generation outlook, clearly defined DPO policy	Predictable revenue streams and a tight grip on costs (with key raw material inventory procured at least a year ahead) provides high cashflow visibility and supports consistent dividend payments, with a 50% minimum pay-out policy set out in Nov-24, and maiden 2024 dividend paid out in May-25 (70% DPO, yielding 6.3%).
Attractive valuation relative to peers across all operating segments	The stock offers an undemanding valuation, despite its superior margin profile, trading at 2026e P/E of 9.49x and an EV/EBITDA of 4.21x, a deep discount of 49% and 52%, respectively, to global peers operating within: the security solutions, commercial printing, and logistics spaces. The company's relatively lower RoE (2026e RoE of 11.2% vs. 15.2% for peers) is, however, justified by the listing proceeds that are yet to be deployed, in our view.

Note: Company data, CI Capital estimates

## E7 Group (E7)

Diversified  
UAE

## E7 key sector growth enablers by segment

Segment	Key growth drivers
E7 Security	<ul style="list-style-type: none"> <li>Population growth in emerging economies, with limited penetration of identity solutions – c1bn ppl worldwide lack any form of legal identification, 3.2bn have some form of identification with a digital trail, 3.4bn people have an ID with no digital trail</li> <li>Rising adoption of identity documents driven by: (i) international requirements; (ii) high incidence of fraud and identity theft, (iii) increased citizen mobility, and (iv) government initiatives to use identity as a tool for citizen service allocation and social/financial inclusion</li> <li>Increased demand for digital identity solutions – evolution of identity documents from paper-based physical models to sophisticated, interoperable digital identities, incorporating biometrics to align with international standards</li> </ul>
E7 Printing (E7 Education)	<ul style="list-style-type: none"> <li>Growth in student enrolments in line with population growth in the UAE, with individualised/personalised printing products</li> <li>Market consolidation owing to migration to digital media</li> <li>Capacity shift towards packaging among most players especially post-pandemic</li> <li>Opportunity in African markets given less reliance on digital platforms</li> <li>Rise of hybrid learning models (supplementing physical books with digital learning alternatives)</li> <li>Increased demand for online student libraries, digital aids for curriculum delivery, interactive platforms between schools and parents</li> </ul>
E7 Packaging	<ul style="list-style-type: none"> <li>Fastest growth in global packaging consumption recorded in Asia, Africa, and the Middle East, in-line with population growth, increased demand for packaged food and beverages, e-commerce proliferation, and industrial sector growth</li> <li>Niche opportunities exist within each packaging segment, offering the potential for higher margins</li> <li>Paper and flexible packaging are projected to be the fastest-growing substrates globally</li> <li>Increased consumer demand for sustainability and recyclable packaging continues to grow while maintaining and enhancing functionality</li> </ul>
Tawzea' by E7	<ul style="list-style-type: none"> <li>Growth of e-commerce and rising demand for various delivery options like same-day and next-day delivery, contactless, and customised delivery windows, driving higher investments in advanced sorting centres, fulfilment hubs, and last-mile delivery solutions</li> <li>Focus on omni-channel fulfilment to provide a seamless customer experience across online and offline retailer platforms</li> <li>Growing demand for cold chain logistics, particularly for pharmaceuticals and F&amp;B sectors, requiring enhanced cold storage and real-time monitoring capabilities</li> <li>Rising advanced technology adoption (like AI, robotics, and predictive analytics) revolutionising inventory management, order fulfilment, and overall supply chain efficiency</li> <li>Increased demand for high-security logistics services particularly for the transportation of sensitive and high-value goods, driving the adoption of advanced security measures, such as personalised secured delivery with biometric verification capabilities</li> </ul>

Source: Company data, CI Capital Research

## Criteria for M&amp;A within the security and sustainable packaging segments – Value-accretion at the forefront

	E7 Security	E7 Packaging
Strategic objectives	<ul style="list-style-type: none"> <li>Acquire capabilities in digital identity management and system integration</li> <li>Access to new contracts and markets</li> </ul>	<ul style="list-style-type: none"> <li>Scale up of packaging business</li> <li>Support sustainability goals, revenue diversification, expanding client base</li> </ul>
Market position & operating segments	<ul style="list-style-type: none"> <li>Long-term recurring revenue orderbook</li> <li>Complements E7 Security's strengths</li> <li>Leading industry solutions/technology or significant market player across various regions</li> </ul>	<ul style="list-style-type: none"> <li>Focus on GCC, MENA, Asia, and Europe as core markets</li> <li>Niche, premium and sustainable products (mainly beauty/pharma in Europe)</li> <li>Significant market share</li> </ul>
Operational considerations	<ul style="list-style-type: none"> <li>Synergy potential</li> <li>R&amp;D and technology intellectual property</li> <li>Management and technical team expertise</li> </ul>	<ul style="list-style-type: none"> <li>Synergy potential</li> <li>Quality of assets</li> <li>Installed capacity and utilisation</li> <li>Management team and technical expertise</li> </ul>
Investment parameters	<ul style="list-style-type: none"> <li>Outright acquisition, JV, or technical collaboration</li> <li>Controlling or full stake</li> <li>Family or PE-owned; Mid-size player (revenue of cAED200mn), with flexibility to target larger opportunities via borrowings/key shareholder backing if necessary; Industry benchmark profitability</li> <li>Industry benchmark multiples, minimum IRR threshold of 15%</li> </ul>	

Source: Company data

**E7 Group (E7)**

Diversified

UAE

## Valuation

We value E7 using a five-year discounted cash flow (DCF) methodology to accurately capture the company's multi-stage growth phase.

We initiate coverage on E7 with an Overweight rating and a 12M TP of AED2.02/share. Our moving WACC assumptions implies a risk-free rate of 4.0% in the base year, dropping to 3.0% by 2030, a 6.5% equity risk premium, a beta of 1, and a perpetual growth rate of 2% in line with population growth and inflation rate targets.

Our valuation implies a 2026e P/E multiple of 16.8x and EV/EBITDA multiple of 9.5x, bringing it in line with global peer average, justified by its superior margin profile and DY while its relatively lower RoE is justified by the listing proceeds that are yet to be deployed, in our view.

We see E7 well-poised to capture growth prospects given its solid track record, strong brand equity, and its experience with international security protocols and the evolving regulatory landscape.

**Key upside risks:**

- Higher-than-expected international security contract awards
- Margin expansion beyond 2026e driven by higher-than-expected pricing on new contracts and/or lower RM prices
- Faster-than-expected client additions within the packaging segment
- Execution of planned value-accretive M&As within the security and packaging segments

**DCF valuation summary**

(AEDmn)	2026e	2027e	2028e	2029e	2030e
EBITDA	255	273	293	315	339
Taxes	(24)	(26)	(27)	(30)	(32)
Appropriations	(4)	(4)	(4)	(5)	(5)
Δ in working capital	(88)	(45)	(49)	(55)	(60)
Capex	(27)	(29)	(30)	(32)	(34)
FCFF	111	170	182	194	208
WACC (%)	10.48	9.99	9.79	9.49	9.49
Discount period	1.00	2.00	3.00	4.00	5.00
DCF	100	140	136	133	130
Terminal value	2,827				
PV of free cash flow	638				
PV of terminal value	1,768				
Enterprise value	2,406				
Net debt (cash) (2025e)	(1,249)				
Equity value	3,655				
Number of shares (mn)	1,999				
Fair value (AED/share)	1.83				
12M TP (AED/share) <sup>(1)</sup>	2.02				
Potential return (%)	74.1				

Source: CI Capital estimates

Note: (1) We multiply the fair value by (1 + WACC) to reach our 12M TP

**E7 Group (E7)**

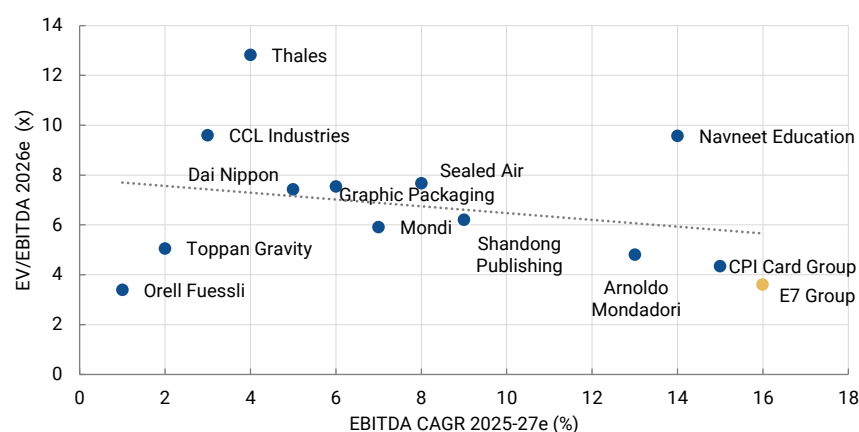
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**WACC calculation**

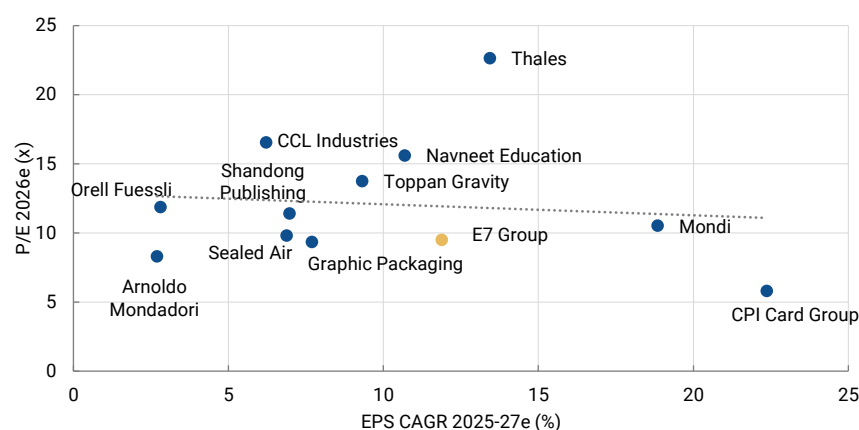
Metric	2026e	2027e	2028e	2029e	2030e
Risk-free rate (%)	4.00	3.50	3.30	3.00	3.00
Equity risk premium (%)	6.50	6.50	6.50	6.50	6.50
Beta	1.00	1.00	1.00	1.00	1.00
Cost of equity (%)	10.5	10.0	9.80	9.50	9.50
After-tax cost of debt (%)	4.55	4.10	3.91	3.64	3.64
Weight of equity (%)	99.6	99.8	99.8	99.8	99.8
Weight of debt (%)	0.35	0.24	0.22	0.20	0.19
Perpetual growth rate (%)	2.00	2.00	2.00	2.00	2.00
WACC (%)	10.5	9.99	9.79	9.49	9.49

Source: CI Capital estimates

**E7 Group trades at 45% discount on EV/EBITDA to global security printing, commercial printing, packaging<sup>(1)</sup> peers...**

Source: Company data, Bloomberg

Note: (1) We exclude logistics and shipping peers for the purpose of this chart, presented in peers table below

**...and a 30% discount on P/E**

Source: Company data, Bloomberg

Note: (1) We exclude logistics and shipping peers for the purpose of this chart, presented in peers table below

**E7 Group (E7)**  
Diversified  
UAE

**E7 trades at a significant discount to global security printing peer average, despite superior margin profile, while RoE remains deflated by yet to be deployed SPAC proceeds**

Company name	Country	Market cap	P/E (x)			EPS CAGR (%)	PEG	EV/EBITDA (x)		EBITDA CAGR (%)	EBITDA margin (%)		RoE (%)		Dividend yield (%)	
		(USDmn)	2025e	2026e	2027e	2025–27e	2026e	2026e	2027e	2025-27e	2026e	2027e	2026e	2027e	2026e	2027e
Thales	France	59,816	26.3	22.6	20.3	13.4	1.74	12.8	11.8	9.35	17.9	18.0	24.7	24.7	1.77	1.97
Toppan Gravity	Japan	7,932	13.7	13.7	10.7	9.32	1.66	5.04	4.43	13.0	10.8	11.6	6.00	7.15	1.41	1.62
CCL Industries	Japan	297	17.5	16.5	15.2	6.22	17.27	9.60	9.00	4.83	20.9	20.8	14.8	n/a	1.77	1.99
Dai Nippon Printing	Japan	7,854	9.15	11.3	10.3	(6.7)	(3.63)	7.42	6.95	3.84	9.82	10.3	7.77	8.17	1.84	1.93
Orell Fuessli	Switzerland	240	12.2	11.9	n/a	2.8	0.81	3.46	3.38	3.04	14.1	13.5	11.5	11.5	5.53	5.94
De La Rue	UK	355	24.5	17.8	15.3	n/a	n/a	12.9	11.8	n/a	11.9	12.4	n/a	n/a	n/a	n/a
CPI Card Group	US	257	8.03	5.77	n/a	22.4	0.67	4.34	4.08	11.6	19.2	19.3	n/a	n/a	n/a	n/a
Security printing avg.			15.9	14.2	14.4	7.91	3.09	7.94	7.36	7.6	14.9	15.1	13.0	12.9	2.05	2.24
Shandong Publishing	China	2,722	12.1	11.4	10.6	7.0	9.16	6.21	n/a	n/a	15.1	n/a	10.2	10.1	4.38	n/a
Navneet Education	India	660	8.62	8.29	8.16	2.69	1.35	4.79	4.73	1.86	16.8	16.8	19.7	18.5	7.61	8.58
Arnoldo Mondadori	Italy	3,979	49.1	37.4	30.0	29.8	1.32	15.9	13.0	18.9	10.4	12.0	5.83	7.51	0.83	1.02
Kadokawa	Japan	581	44.4	10.2	n/a	n/a	47.87	4.15	n/a	n/a	10.9	n/a	6.50	n/a	3.67	n/a
Scholastic	US	374	16.7	15.6	13.7	10.7	0.61	9.57	8.38	13.1	18.3	18.9	11.0	11.6	1.79	1.79
Commercial printing avg.			26.2	16.6	15.6	12.5	12.06	8.13	8.69	11.3	14.3	15.9	10.6	11.9	3.66	3.80
Mondi	UK	6,771	10.8	9.33	8.70	7.70	(1.81)	7.54	7.56	4.16	18.8	18.6	20.2	21.6	2.05	2.22
Sealed Air Corp	US	7,186	13.3	10.5	9.40	18.8	0.53	5.91	5.47	11.5	16.6	17.2	11.2	11.8	5.38	5.79
Graphic Packaging	US	4,769	10.47	9.79	9.08	6.9	1.84	7.66	7.40	3.80	21.3	21.5	42.0	37.9	2.38	2.55
Packaging avg.			11.5	9.87	9.06	11.1	0.19	7.04	6.81	6.48	18.9	19.1	24.5	23.8	3.27	3.52
Blue Dart Express	India	1,859	57.0	45.6	36.6	19.1	5.74	17.2	14.6	6.20	14.4	15.1	19.7	21.2	0.69	0.68
Aramex	UAE	1,076	27.8	21.6	18.6	21.1	1.90	7.21	6.71	9.66	10.4	10.6	6.1	6.3	4.81	n/a
Logistics avg.			42.4	33.6	27.6	20.1	3.82	12.2	10.7	7.93	12.4	12.9	12.9	13.7	2.75	0.68
Total average			24.0	18.6	16.7	12.9	4.79	8.83	8.38	8.32	15.1	15.7	15.2	15.6	2.93	2.56
E7 Group	UAE	632	11.2	9.49	8.94	11.9	0.80	4.21	3.92	17.4	25.6	25.4	11.2	11.1	4.74	5.03
Premium (discount) %			(53.4)	(48.9)	(46.4)	(8.0)	(83.3)	(52.4)	(53.2)	109.3	69.0	61.5	(26.5)	(28.5)	61.7	96.6

Source: Bloomberg, CI Capital estimates  
Closing prices as of 10 July 2025

## E7 Group (E7)

Diversified  
UAE

## Key risks

- ▼ **Concentration risk.** E7's major client is the UAE government, with 83% of revenue generated from within the UAE in 2024. The company is the exclusive contractor for the UAE government for production of all physical ID documents (Emirates ID [EID], passports, driving licences, and vehicle registrations) since 2021. In addition, E7 printing produces school textbooks for c1.2k schools across the UAE under a contract with the Ministry of Education since 2020. Given the sticky nature of security contracts and the logistical convenience of local textbook printing, alongside E7's established track record in execution and delivery, high level of certification, and quasi-government ownership (40% held by ADQ), we see loss of government contracts highly unlikely.
- ▼ **A government collection delay.** With the majority of the company's receivables pertained to government entities, a delay in government payments would pressure working capital considerably. However, E7's strong balance sheet position, zero leverage, and extended payable days should offset long receivable cycles, seeing working investment to sales at c-4% by 2030e from c-10% in 2025e and c-9% in 2024.
- ▼ **Replacement of physical identity documents with digital ones.** With a global direction for digitisation and paperless processes (Digital Travel Credentials (DTC), digital ID, mobile driver licences, digital payment services) to counter cyber threats and fraud and to facilitate provision of e-government services, cannibalisation risk for physical documents exists. Digital IDs are, however, seen as rather complements to physical IDs, not replacements, as the latter will continue to serve as an anchor for the digital ID e-government services. Additionally, an immense level of intra-governmental coordination and high infrastructure investment requirements – which numerous governments still lack – are key hurdles for adoption, with only 80 countries to date initiating any sort of identity digitisation.

In Apr-25, the UAE announced to replace physical EID cards with a facial recognition-based digital identity system in 2026. The initiative is a central part of the UAE's Government Bureaucracy Elimination Plan, launched in Aug-24. The new system, accessible via a dedicated smartphone application, will allow citizens and residents to authenticate their identity using facial biometrics when accessing services across the public and private sectors, including banking, telecoms, healthcare, and travel. Management still sees risk of replacement as minimal, as digital identity will continue to be supplementary.

- ▼ **Faster-than-expected depletion of print business.** With rising prevalence of digital learning in K-12 education, accelerated by the pandemic, schools are increasingly adopting hybrid learning models and transitioning to digital learning materials. Management, however, sees the risk to print business contained due to continued preference among educators for physical printed books and continued sustained demand from developing countries.
- ▼ **Raw material cost spikes.** Although contract pricing is fixed, with no automatic cost pass-through, pricing can be renegotiated if needed. This means E7 bears the risk of commodity price fluctuations and might take a hit on margins during a commodity upcycle yet benefit during a downcycle.
- ▼ **Regional conflict escalation.** Management does not see significant direct operational risk from current regional turmoil. In fact, its prudent stock piling strategy (having secured one-year cover for key raw materials) gives E7 an edge amid escalated freight rates.


























**E7 Group (E7)**Diversified  
UAE**Investment overview**

Established in 2006 as United Printing and Publishing (UPP), Abu Dhabi's long-standing print powerhouse, renamed to E7 Group in 2023 after the MENA's first SPAC merger, has evolved into the region's largest security and integrated print solutions provider. It boasts promising organic and inorganic growth prospects, both regionally and internationally.

We see E7 offering unique exposure to the high-growth, superior-margin security printing segment, with limited competition and high barriers to entry. Alongside its legacy printing business, we see the nascent packaging segment providing further revenue upside, while the logistics arm continues to complement other verticals. With c70% of revenue recurring in nature, E7's predictable cash flow and AED1.1bn listing proceeds support expansion into adjacent value-enhancing segments and consistent dividend payments.

**A one-stop shop, with revenue diversification in focus.** Operating across four main integrated verticals: **E7 Security** (security and identity management solutions), **E7 Printing** (commercial printing and publishing – includes United Educational Publishing - **E7 Education**), **E7 Packaging** (sustainable packaging), and **Tawzea** (logistics and distribution), the company's portfolio boasts over 40 custom products. E7 caters to clients in more than 25 countries in eight regions, across 10 industry sectors, including: government entities, financial institutions, education, transportation, media, healthcare, pharmaceuticals, food & beverage, and retailers. E7's client-centric approach, its state-of-the-art facilities, top industry certifications, product diversification, and the tie-up across printing, packaging, logistics and distribution functions offer a host of synergies. This makes E7 a one-stop shop for comprehensive printing solutions and a preferred partner of choice for private and government clients, with high retention rates.

**A regional print powerhouse operating across four key verticals with a high-profile client base**

Segment	% of 2024 revenue	Revenue CAGR (2021–24a)	Date of establishment Key products/ services	Focus markets
 SECURITY	49%	44%	<ul style="list-style-type: none"> <li>Established in 2014, formerly known as United Security Printing (USP)</li> <li>Passports, IDs, driving/vehicle licences, transportation cards, telecom cards, banking cards, security certificates/stickers, ballot paper, tax stamps (2026)</li> </ul>	<ul style="list-style-type: none"> <li>GCC, CIS, Africa, APAC, LATAM</li> </ul>
 PRINTING	35%	18%	<ul style="list-style-type: none"> <li>Established in 2006, formerly known as UPP</li> <li>School textbooks, marketing collaterals, digital printing, outdoor printing, newspapers &amp; publications, educational solutions, custom books</li> </ul>	<ul style="list-style-type: none"> <li>UAE, GCC, Africa (through cross selling), APAC</li> </ul>
 PACKAGING	5%	719%	<ul style="list-style-type: none"> <li>Established in 2022 (most recent business addition)</li> <li>Folding cartons (frozen/disposable food packaging), paper cups, flexible labels (2024), to expand into niche products in flexible packaging</li> </ul>	<ul style="list-style-type: none"> <li>UAE, GCC, Europe, APAC</li> </ul>
 TAWZEA	11%	3%	<ul style="list-style-type: none"> <li>Transferred from Abu Dhabi Media Company to E7 Group in 2016</li> <li>Shipment distribution, publication distribution, fulfilment, reverse logistics, e-commerce, mail room services</li> </ul>	<ul style="list-style-type: none"> <li>Pan UAE coverage, including remote areas</li> </ul>
<b>Key clients</b>                   				

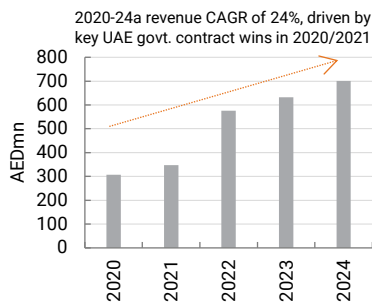
Source: Company data, CI Capital Research

**Backed by ADQ.** Listed on the ADX, E7's single largest shareholder remains ADQ, currently owing c40%, down from 100% pre-SPAC merger. The listing of E7 in Nov-23 followed its combination (as UPP) with ADC Acquisition Corporation (ADC), the UAE and MENA region's first Special Purpose Acquisition Company (SPAC), established by ADQ through its Alpha Oryx SPV and Chimera Investments in Apr-22. The SPAC merger and a concurrent PIPE fundraising, which raised AED734mn in Oct-23 through a 10x oversubscribed bookbuild, left E7 well-capitalised with AED1.1bn in proceeds to pursue organic and inorganic growth avenues.

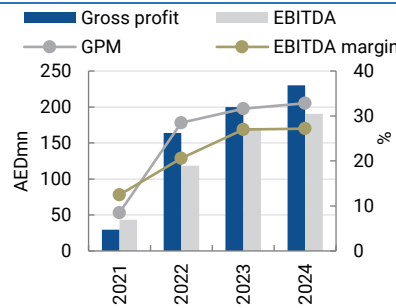
**E7 Group (E7)**Diversified  
UAE**An entrenched track record**

2006	Established in Abu Dhabi, UAE, as UPP
2014	Launched security printing operations (E7 Security, formerly USP)
2016	Launched last-mile logistics distribution, Tawzea' by E7, to strengthen value proposition
2017	Secured first long-term exclusive contract with an international government client for secure printing of national IDs
2020	Secured long-term exclusive commercial printing contract with a UAE government agency and an international government client for secure printing
2021	Secured a long-term exclusive secure printing contract with a UAE government client
2022	Foray into sustainable packaging segment (E7 Packaging) through in-house manufacturing capacity installation
2023	Listed on ADX in Nov-23, through region's first SPAC. Raised AED1.1bn (AED734mn through a successful PIPE transaction). Re-branded to E7 Group
2024	Secured AED120mn in security printing contracts. Announced AED182mn capex plan to expand passport capacity and enter digital tax stamp production
2025	Secured a new major passport contract. Made its first dividend payment. Signed a framework agreement with Government of Rwanda

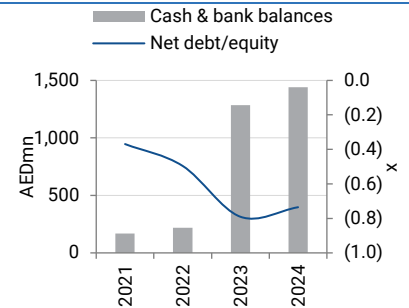
Source: Company data

**Solid revenue growth track record supported by contractual business...**

Source: Company data, CI Capital Research

**...with expanding margins on targeted expansion in high-margin products...**

Source: Company data, CI Capital Research

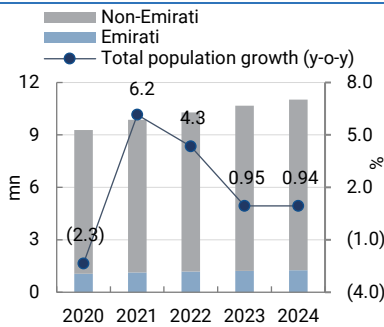
**...and a well-capitalised BS, buoyed by SPAC proceeds**

Source: Company data, CI Capital Research

**...with clearly-defined segmental strategic objectives**

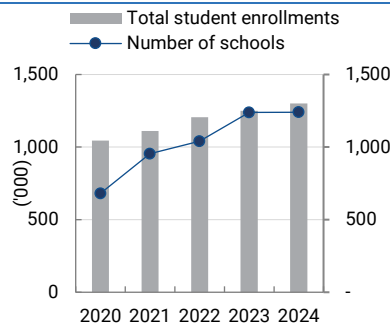
	Organic	Inorganic
<b>E7 Security</b>	<ul style="list-style-type: none"> <li>Drive growth in core offerings (IDs, passports, banking solutions) via new contracts</li> <li>Expand manufacturing capacity for core products</li> <li>Explore opportunities in adjacent security products/segments</li> </ul>	<ul style="list-style-type: none"> <li>Partner with system integrators and other security players</li> <li>Build/acquire digital identity management and system integration capabilities</li> <li>Access opportunities in wider markets and secure new contracts in current focus markets</li> </ul>
<b>E7 Packaging</b>	<ul style="list-style-type: none"> <li>Increase market share in existing core offerings of paperboard products and flexible labels</li> <li>Grow portfolio in adjacent packaging segments to cover whole spectrum of client needs</li> </ul>	<ul style="list-style-type: none"> <li>Expand product offerings in the premium and niche segments of flexible packaging (pharma/beauty products, luxury packaging)</li> <li>Penetrate new geographies (currently serving the UAE, mainly, in addition to four export markets: Netherlands, Saudi, Oman and Jordan)</li> </ul>
<b>E7 Printing</b>	<ul style="list-style-type: none"> <li>Retain preferred printing partner status and MS (c.17% in UAE)</li> <li>Focus on building long-term resilient relationships with key customers</li> <li>Selectively pursue growth by expanding reach in GCC and Africa, acquiring large government and institutional contracts</li> <li>Emphasis on enhancing internal operational efficiencies</li> </ul>	n/a
<b>Tawzea'</b>	<ul style="list-style-type: none"> <li>Focus on customer retention and maximising operational utilisation</li> <li>Maintain competitive advantage in secure document delivery</li> <li>Sustain high customer satisfaction score of 98%+</li> <li>Scale up new same-day delivery service for large institutional clients</li> <li>Selective expansion in banking, health, and government sectors to maintain profitable growth</li> <li>Strengthen investment proposition through value-added services</li> </ul>	n/a

Source: Company data, CI Capital Research

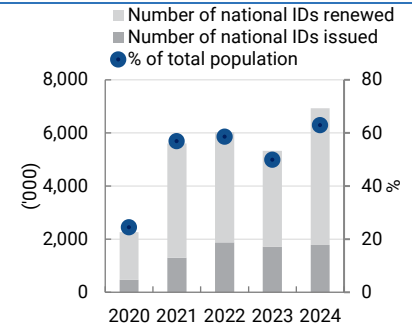
**E7 Group (E7)**Diversified  
UAE**Steady expat population<sup>(1)</sup> growth in E7's core market...**

Source: Bayanat, CI Capital Research

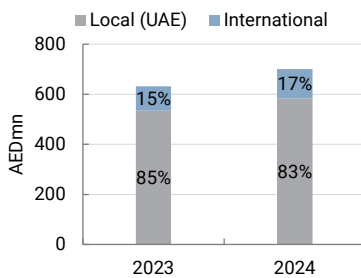
Note: (1) UAE expat population estimated at 88.5% of total

**...driving higher school enrolments, school network expansion...**

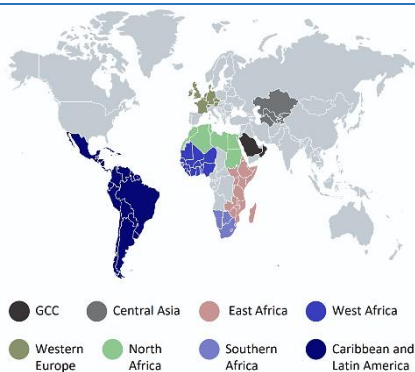
Source: Company data, Gulf News, CI Capital Research

**...support solid demand for key products (EIDs and school textbooks)**

Source: Company data, FAIC, CI Capital Research

**UAE remains the core market, with rising contribution from international**

Source: Company data, Gulf News, CI Capital Research

**A growing international client base, serving 25 clients across 8 regions**

Source: Company data

**Strong G2G relationships, access to proximity markets supports new contract wins.**

E7 has built on its reputation and track record in secure printing, particularly at the governmental level. By leveraging the UAE's strategic location and strong government-to-government (G2G) partnerships, the company has been able to secure major international government security printing contracts, starting with a national ID project awarded in 2017 (client undisclosed).

The announcement of a key Middle East passport contract award in 1Q25 brings E7 Security's onboarded international clients for passport printing to three (the other two being: an undisclosed client [2020] and a Southeast Asian client [2024]), in addition to the UAE (awarded in 2021). Moreover, in May-25, E7 Group sealed a framework agreement with the Rwanda Development Board (RDB) that will include an array of services (yet to be agreed-upon) and establish a state-of-the-art manufacturing facility to enhance public service delivery in the country. In Jun-25, E7 Group's executive management met with Vietnamese officials to discuss the government's digital transformation agenda.

UAE's Comprehensive Economic Partnership Agreements (CEPA) with major regional partners and other trade agreements with GCC, MENA, APAC and EU states, also pave the way for more cross-border contracts for E7. That said, E7 eyes attractive markets, with rapid GDP and population growth, with rising FDIs. Key markets eyed for expansion within the security segment include: African markets, CIS and LATAM, with the company typically penetrating new markets through partnerships with system integrators.

**E7 Security disclosed and potential government client key metrics (2024)**

Country	UAE	Rwanda
GDP growth rate (%)	3.76	8.90
Population ('000)	11,027	14,257
Number of IDs printed ('000)	6,929	6,500
% of total population	62.8	45.6
Number of passports printed ('000)	263	109
Number of driving licenses issued ('000)	383	47
Number of driving licenses renewed ('000)	802	25

Source: World Bank, Bayanat, ICP, CI Capital Research

Note: (1) Shaded cells represent security products currently being provided/ to be provided by E7 to listed government clients

**E7 Group (E7)**Diversified  
UAE

**High barriers to entry in core security segment.** The growing, high-margin security solutions segment enjoys high barriers to entry, with a number of factors making it a difficult segment to penetrate, namely:

- ▼ stringent security certification requirements, data privacy standards, technical expertise, security protocols, and extensive client credentials;
- ▼ a highly sensitive business model, with a distinct product nature;
- ▼ lengthy project lead-times (can take from six months up to two years between start of negotiations and actual award of a contract), given the time needed to establish trust and fulfill client requirements for security compliant, tailor-made solutions;
- ▼ contracts are long-term in nature (5–10 years), based on exclusivity and mostly sticky once awarded.

E7 Group's stellar reputation, its experience with international security protocols and the evolving regulatory landscape position it well within the sector. Having earned 10+ top tier industry certifications for security printing from numerous industry bodies and security accreditation schemes, including Visa, Mastercard, UnionPay (in 2024), GSMA-SAS, ISO, G7, among others, has enabled the company to partner with key identity eco-system players. It currently offers identity printing solutions to clients in 19 countries from its high-tech facility in Abu Dhabi.

**With limited competition.** Despite a massive number of players within the security printing space, competition is limited to a handful of established global players. These companies typically dominate the global market due to on-ground sales and marketing presence, local partnerships, technological superiority, specialisation, and experience in delivering large-scale identity programmes for the government.

Competitors with weighted presence in the Middle East and Africa predominantly come from Europe (namely France's Idemia and Thales). Industry giant Thales retains the largest foothold in the region, currently handling all GCC eID programmes, and has also previously managed UAE ID programme, prior to its transfer to UPP in 2020. Local competition, on the other hand, is limited to a few players with different scope and/or lower level of certification.

That said, by extending its offering across different parts of the value chain through organic and inorganic expansion and leveraging its high-level of certification and state-of-the-art facilities, we see E7 well-poised to capitalise on rising demand for secure end-to-end (E2E) solutions in focus markets (GCC, CIS, Africa, APAC, and LATAM).

#### Local players in security printing – offering different scope of services at much smaller scale

Company <sup>(1)</sup>	Emirate	Main scope
Oumolat Security Printing	Abu Dhabi	Production of banknotes for UAE and for exports
Al Ghurair Printing & Publishing	Dubai	Production of ballot papers and training materials, plastic cards, voter ID, labels, and other secure printed documents
Toppan Gravity	Sharjah	Production and personalisation of ID cards, bank cards, transport, and GSM SIM cards
United Security	Dubai	Boarding passes, baggage tags, cargo labels, thermal ATM & PoS rolls, pay slips, entertainment tickets, and metro tickets
Abulhoul Printing	Dubai	Cheques, registration cards, IDs, promotional coupons, certificates, and bonds

Source: Intergraf, CI Capital Research

Note: (1) List is not exhaustive of all players

**E7 Group (E7)**Diversified  
UAE**Key global players in security printing, identity solutions**

Company <sup>(1)</sup>	Country	Products/Services <sup>(2)</sup>
Idemia Group	France	<ul style="list-style-type: none"> <li>Security solutions in fields of biometrics and cryptography to more than 180 countries (600+ govt. and federal clients)</li> <li>Biometric passports for Albania, Chile, Morocco, and Mali</li> <li>Active with UAE banks (FAB, National Bank of Kuwait, Boubyan, Mashreq) in cards production/payment solutions, and implementation of biometric solutions for the UAE government (Abu Dhabi Airport biometric solutions)</li> </ul>
Thales	France	<ul style="list-style-type: none"> <li>Contributes 40 national electronic ID programmes including: <ul style="list-style-type: none"> <li>Europe (Belgium, Czech Republic, Italy, Finland, Norway, Sweden, Portugal, and Luxembourg)</li> <li>Middle East (Jordan, Kuwait Civil ID, Qatar, Oman, Bahrain, and Saudi Arabia) and the UAE previously</li> <li>Africa (Algeria, Cameroon, and South Africa)</li> <li>Asia and Latin America (Mongolia, Uruguay, and Jamaica)</li> </ul> </li> <li>Over 30 electronic and biometric passport programmes to date (Belgium, Finland, France, Lebanon, Malaysia, Norway, Singapore, South Africa, Sweden, Thailand, Turkey, the UK (new British passport), and the US (since 2006))</li> </ul>
IN Groupe	France	Passports for France, Uruguay, Peru, Gabon, Palestine, Ivory Coast, Benin, Djibouti, Bolivia, Senegal, and Seychelles
Veridos	Germany	Passports for Nepal (recently awarded, after being held by Idemia for 15 years; E7 Group was reportedly a bidder too)
Emptech	China	Passports for Burkina Fasso. Gaining foothold in the African identity documents market, eyeing Mali and Niger
Semlex	Belgium	Passports for Azerbaijan, Comoros, Guinea-Bissau, Madagascar, Moldova. National IDs for Ivory Coast
Any Hungary	Hungary	Passports for Ghana, Sri-Lanka
Toppan Gravity	Japan	Passports for Japan, Ethiopia (establish JV facility to produce full range of security documents to be completed in May-26)
IRIS Corporation	Malaysia	Passports for 15 countries, including Malaysia. National IDs and voter cards for Senegal
Cetis	Slovenia	Passports for Liberia, Slovenia, Bosnia and Herzegovina
Orell Fuessli	Switzerland	Passports, IDs, travel visas, driving licences for Switzerland

Source: Intergraf, Reuters, Company disclosures, CI Capital Research

Note: (1) Most players engage in full suite of security services including banknote printing, security systems, payment systems, border control, among others (2) List is not exhaustive of all players or all clients/contracts, as information is mostly classified

**High revenue visibility (c70% recurring), with security printing to remain the key**

**driver.** Long-term (5–10 year) exclusive contracts with anchor government clients (chiefly the UAE, in addition to security printing contracts for eIDs, passports and driving licences in other regional markets, over AED120mn awarded in 2024) makes over 70% of E7's revenue recurring in nature, providing high revenue visibility.

Exclusive long-term pan-UAE security and commercial printing contracts — inked with the Ministry of Interior (MoI) in 2021 for Emirates ID and the MoE in 2020 to provide textbooks for over 1.1k schools across the UAE — represent the core contracts for E7's security and commercial printing businesses, respectively, and provide a solid basis for revenue growth.

Although security contracts are not automatically renewed, the nature of security products and client base makes contracts rather sticky once awarded, further supporting revenue and earnings stability. The MoI contract tenor is five years, with a five-year extension. Contracts with the MoE (with two to five-year tenors) have also been renewed in 2024-25.

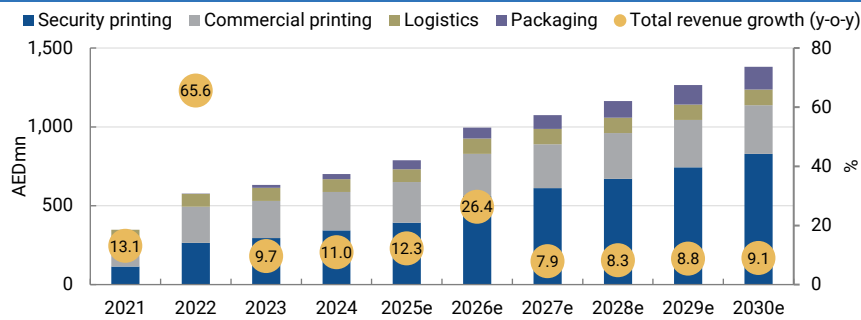
In terms of pricing, security and commercial contracts have fixed pricing agreements, with no automatic cost pass-through. However, pricing can be renegotiated if needed in case of extreme commodity price fluctuations. Additionally, all government contracts are denominated in USD or USD-pegged currencies.

We see E7's revenue growing organically at a 2025–30e CAGR of 12%, almost doubling to AED1.4bn by 2030e from 2024 levels. Key drivers include: (i) capacity expansion at E7 Security to meet a rising international order backlog; (ii) exponential growth at E7 Packaging (21% 2025–30e CAGR) as the segment continues to expand its product offering and market reach; (iii) guaranteed stable growth at the commercial printing segment in line with UAE's student population; and (iv) growth at the complementary logistics and distribution revenue in line with secure document and textbook deliveries.

## E7 Group (E7)

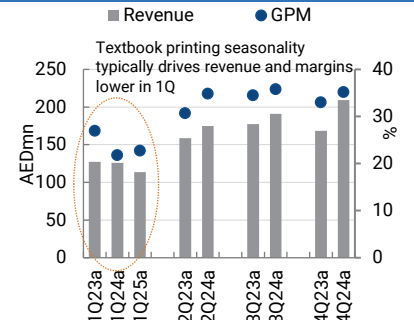
Diversified  
UAE

## Expecting 2025–30e CAGR of 12% on exponential growth at security, packaging...



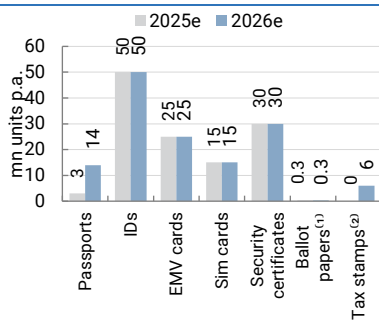
Source: Company data, CI Capital estimates

## ...and stable commercial printing



Source: Company data, CI Capital estimates

## E7 security's product capacities



Source: Company data, CI Capital Research

Note: (1) 25mn ballot papers per month (2) 6bn tax stamps p.a. Figures for ballot papers and tax stamps are presented in bn units p.a.

**Expanding capacity to capture fast-growing demand for security products.** In Apr-24, E7 Security committed a total of AED182mn to expand its passport manufacturing capacity by five-fold and enable its entry into the digital tax stamps segment. The investment to be fully deployed in 2025e. Passport expansion is set to meet rising demand from new contract awards, as current capacity of 3m units p.a. runs at high levels of utilisation (80–85% on our estimates). That said, management expects security printing contribution to grow to a least 60% of revenue by 2030e from c49% in 2024, as it seeks to capitalise on growing global demand for identification documents.

Having secured over AED120mn in new security printing contracts in 2024, in addition to USD10mn contract in 1Q25 to be fulfilled over the medium-long term, E7 is seeing good momentum and a strong order pipeline for core products (IDs and passports), but details remain classified.

The market for physical IDs (including passports, national IDs, and other IDs) is expected to grow globally at a 5–6% CAGR to reach USD6bn by 2029, with regional growth rates at c2.1% in MEA and c0.5% in Latin America.

On the digital identity front, the addressable market size for digital civil identity and retail banking, a subset of the total digital identity market, is projected to rise globally to USD35bn in 2028, growing at a faster pace than physical IDs, at a 2025–30e CAGR of 20%.

Moreover, expansion into the high-growth tax stamp segment positions E7 to gain foothold in over 90 countries already deploying tax stamps on excisable goods (mainly tobacco and alcohol products) to tackle illicit trade and tax evasion.

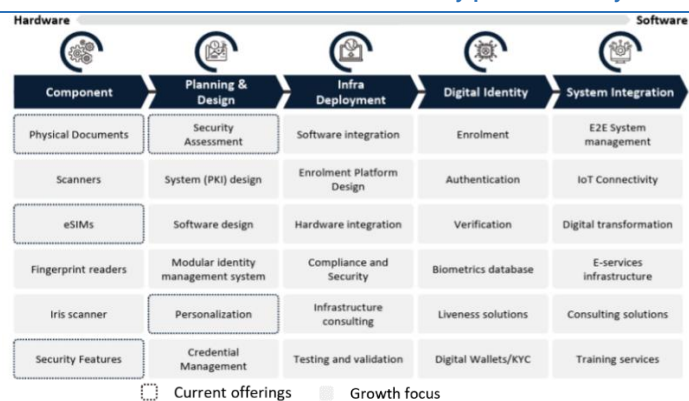


**E7 Group (E7)**Diversified  
UAE

**A well-defined inorganic growth strategy offers upside.** With AED1.4bn in cash as of Mar-25, E7 is actively evaluating a robust pipeline of M&A opportunities in high-growth security solutions and sustainable packaging, which are set to benefit from structural growth and industry tailwinds. Leveraging its developed in-house M&A capabilities and its recently hired Chief Commercial Officer, E7's M&A strategy hinges on:

**I. Capturing a larger share of the security solutions value chain**

E7 strives to become a leading global E2E security solutions provider, primarily for civil ID and banking cards – where it currently lacks sizeable presence. This involves the full lifecycle of identification solutions, from enrolment to verification and digital identity management (the fastest-growing security segment, 2025–30e CAGR of 20%) through partnering with system integrators and synergistic security players. As system integrators are the first port of call for any government planning to establish and manage a civilian identity programme, it would position E7 as a key partner in national identity solutions.

**Ambition to extend services across the entire security product life cycle**

Source: Company data

E7 seeks to extend beyond hardware-focused ID services to software development, system integration, digital ID management, targeting tech-driven players to unlock synergies

**II. Transitioning away from traditional printing – focus on sustainable packaging**

In line with the global trend, E7 ventured into the packaging segment in 2022 to partially offset the expected decline in the printing space. With a current production capacity of 19k tpa, E7 Packaging is rapidly expanding its product portfolio, which currently includes folding carton, paper cups, and flexible labels. Its portfolio accommodates the needs of E7's growing client base (30 new clients onboarded in 2024 across the UAE and four international markets), targeting high-margin sustainable packaging for inorganic growth.

**Targeting premium, niche quadrants of the packaging industry matrix**

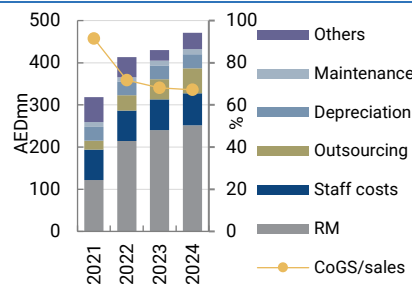
Source: Company data

**E7 Group (E7)**Diversified  
UAE

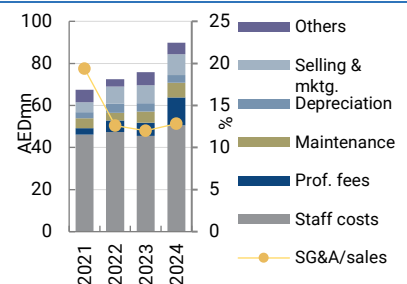
**Superior margin profile, despite fixed contract pricing.** E7 enjoys an industry-leading margin profile, with gross and EBTDA margins significantly higher than the peer average. These are driven by a favourable product mix, tight cost controls, and a continuous focus on margin expansion initiatives.

Raw materials are the largest cost component making up c37% of sales, c50% of cash costs, with Emirates ID (EID) modules (chips) and textbook paper making up the bulk. Although contract pricing in the security and commercial printing segments is fixed, with no automatic cost pass-through, pricing can be renegotiated if needed. This means E7 bears the risk of commodity price fluctuations, and might take a hit on margins during a commodity upcycle, but reap margin benefits during a downcycle.

This has been evident in 2021, when pandemic-induced global semiconductor chip shortages elevated prices 3–5x, which coincided with the award of Emirates ID contract. With governments and chip vendors prioritising passport and ID card chip supply, higher chip fabrication capacity helped restore supply to normality by 2023, easing prices. Thanks to E7's strategic stockpiling strategy throughout 2023–24, GPM enhancement trend witnessed in 2024 could likely to continue — albeit to a lesser extent — over 2025–26e when the company is set to utilise low-cost inventory of chips procured.

**RM makes up c50% of cash costs...**

Source: Company data, CI Capital Research

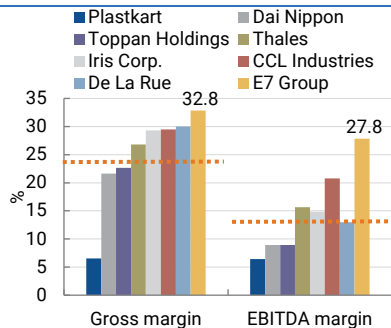
**...with SG&A averaging at c13% of sales**

Source: Company data, CI Capital Research

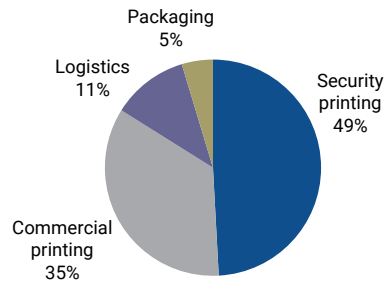
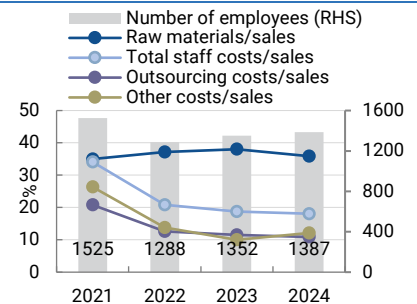
Moreover, all government contracts are denominated in USD or USD-pegged currencies, hedging against any local currency movements. Additionally, operational efficiencies focused on: (i) input cost controls through index-based commodity negotiations; (ii) supplier diversification; (iii) working capital improvement; (iv) streamlining processes via digitisation initiatives (in partnership with SAP); and (v) enhanced labour productivity have all contributed to margin expansion (+4.4pp) between 2022 and 2024, with further margin enhancement sought through potential M&A synergies.

We see 2025–26e margins sustaining close to 2024, as E7 reaps the benefits of low-cost chip inventory procured in 2024, for which management prefers to keep inventory cover of c12 months. Nevertheless, we see EBITDA margin slightly moderating to c25% thereafter, though remaining at above peer-average levels, as: (i) the company offers competitive pricing for international government tenders to land new security contracts and, to a lesser extent, as (ii) contribution of low-margin packaging rises to reach c10% of top line by 2030e. This, however, is expected to be offset by the exponential revenue growth, thanks to organic security capacity expansion and anticipated international contract awards.



**E7 Group (E7)**Diversified  
UAE**Above security printing global peer average margins<sup>(1)</sup>...**

Source: Company data, Bloomberg, CI Capital Research

**...thanks to a favourable revenue mix, tilted towards high-margin products ...**Source: Company data, CI Capital Research  
Note: (1) Security and commercial printing segments are of higher margin than packaging**...commodity downcycle, and a focus on operation streamlining**

Source: Company data, CI Capital Research

**Unlevered, cash-rich balance sheet buoyed by listing proceeds.** With AED1.4bn in cash as of Mar-25 (62% of market cap.) and zero leverage (except for some AED15.2mn in lease liabilities for rented warehouses), we see E7 well-funded to pursue eyed growth avenues, expand capacity, and enhance technological capabilities. Though inorganic expansion could potentially trigger change in capital structure, enhanced operating cashflow generation capacity with new contract deliveries (OCF/EBITDA of 84% by 2030e) should suffice to meet any debt servicing costs, should they arise.

**Strong FCF generation, normalising CCC.** We see FCF yield comfortably expanding to 4.8% in 2026e and 9.0% by 2030e from 1.9% in 2024, as the company's OCF margin expands to 17% in 2026e and 21% by 2030e, from a mere 1% in 2023. This is supported by a growing top line and enhanced profitability, along with minimal capex requirements (maintenance capex guided at 1.7% of sales, post cAED200mn growth and maintenance capex outflow to be deployed in 2025e).

We also expect some slight improvement in working capital cycle over our forecast horizon as 2024–1Q25 saw some strategic chip stockpiling at favourable prices, with inventory months averaging at c6.5 months vs. c5.0 months in 2023. Management's typical inventory target will remain around the six months mark (6.3m by 2030e, on our numbers) as adequate buffers need to be maintained mainly for EID chips – for which management prefers to lock in prices and delivery schedule at least a year ahead – and MoE textbook paper, for which management prefers to keep a stock cover of two academic terms.

On the receivables side, collection is quite timely, despite the high contribution of government contracts. That said, 12-month trailing trade receivable days are expected to average at 120 days, down from 136 days in 2024, while 12M trailing trade payable days are expected to lengthen to c100days from 83 days in 2024, lowering WC investment/sales ratio to -4% by 2030e.

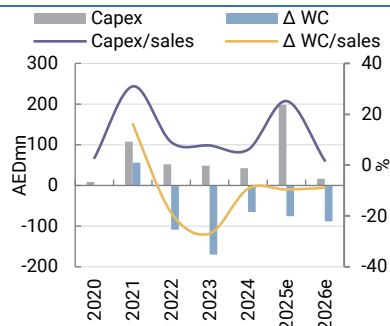
**Clear dividend policy.** Maiden dividend policy announced by the Group in Nov-24 aims to distribute at least 50% of annual distributable net profit to shareholders. The policy is conditional upon: (i) achievement of positive distributable net profits; (ii) availability of reserves and cash for future needs; and (iii) economic conditions and market outlook.

In May-25, E7 distributed its maiden dividend of AED0.07 per share, totalling AED 147.1mn, representing 70% of annual distributable net profit, based on the company's financial performance in 2024. We see E7 sustaining a healthy and consistent payout (within the 50% minimum policy range), in line with guidance, over our forecast horizon, ceteris paribus.

## E7 Group (E7)

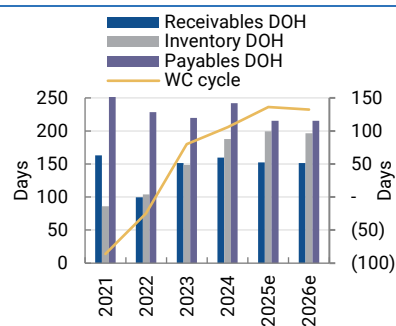
Diversified  
UAE

### Minimal capex needs, a normalising WC cycle to boost FCFF...



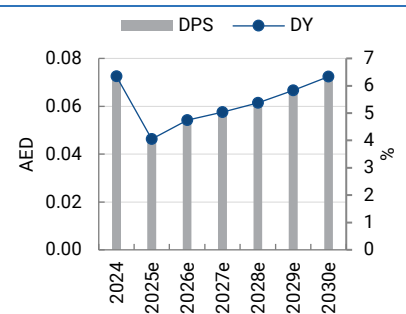
Source: Company data, CI Capital Research

### ...while keeping sufficient inventory buffers for key raw materials...



Source: Company data, CI Capital Research

### ...leaving ample cash for DPO, at least in line with minimum policy range



Source: Company data, CI Capital Research

## E7 Group (E7)

Diversified

UAE

## Key operational assumptions – Revenue and production

Revenue assumptions (AEDmn)	2023a	2024a	2025e	2026e	2027e	2028e	2029e	2030e
Security printing (E7 Security)	294	345	392	560	611	671	743	828
% y-o-y growth	11.0%	17.1%	13.7%	43.0%	9.1%	9.9%	10.7%	11.4%
% of total revenue	46.6%	49.1%	49.7%	56.3%	56.9%	57.7%	58.8%	60.0%
Commercial printing (E7 Printing)	236	244	259	268	278	289	300	309
% y-o-y growth	2.3%	10.7%	6.1%	3.8%	3.8%	3.8%	3.8%	3.0%
% of total revenue	34.8%	34.8%	32.8%	27.0%	25.9%	24.8%	23.7%	22.4%
Logistics (Tawzea')	84.0	80.1	81.1	97.1	97.5	98.1	98.7	99.1
% y-o-y growth	3.86%	-4.62%	1.14%	19.7%	0.48%	0.59%	0.65%	0.36%
% of total revenue	13.3%	11.4%	10.3%	9.8%	9.1%	8.4%	7.8%	7.2%
% of security and printing revenue	15.8%	13.6%	12.5%	11.7%	11.0%	10.2%	9.5%	8.7%
Packaging (E7 Packaging)	17.8	32.7	56.4	69.7	87.2	104.4	123.5	144.1
% y-o-y growth	3540%	84.1%	72.5%	23.5%	25.2%	19.8%	18.2%	16.7%
% of total revenue	2.81%	4.66%	7.16%	7.00%	8.12%	8.98%	9.76%	10.4%
<b>Capacity and production assumptions</b>								
<b>E7 Security</b>								
1. Passport capacity ('000 units p.a)	3,000	3,000	3,000	14,000	14,000	14,000	14,000	14,000
Number of passports produced	2,400	2,550	3,000	10,119	10,223	10,328	10,435	10,541
UAE	339	263	271	273	275	277	279	279
Non-UAE	2,061	2,287	2,729	9,847	9,948	10,051	10,156	10,262
Capacity utilisation (%)	80%	85%	100%	72%	73%	74%	75%	75%
2. ID cards capacity ('000 units p.a) <sup>(1)</sup>	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Number of ID cards printed	11,300	15,500	17,668	19,950	22,679	25,944	29,851	34,482
UAE	5,325	6,929	6,502	6,551	6,600	6,649	6,698	6,698
Non-UAE <sup>(2)</sup>	5,975	8,571	11,166	13,399	16,079	19,295	23,154	27,785
Capacity utilisation (%)	23%	31%	35%	40%	45%	52%	60%	69%
<b>E7 Printing</b>								
Textbook capacity	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Number of textbooks printed by MoE ('000 units)	20,800	21,600	22,248	22,415	22,582	22,749	22,915	22,915
Capacity utilisation (%)	83%	86%	89%	90%	90%	91%	92%	92%
<b>E7 Packaging</b>								
Capacity (tpa)	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Production (tpa)	5,700	7,600	11,400	12,350	13,680	14,630	15,580	16,530
Capacity utilisation (%)	30%	40%	60%	65%	72%	77%	82%	87%

Source: Company data, CI Capital estimates, UAE MoE

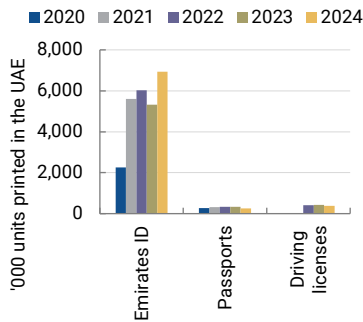
Note: (1) Quoted capacity of 50mn ID cards p.a. is interchangeable. Other products under the card category include: driving licences, vehicle licences, transport cards, parking cards, retail cards, loyalty cards, etc. (2) In Mar-24, E7 sealed three one-year contracts worth a combined AED12.9mn to provide eID and driving licenses to three countries in Africa and LATAM

## E7 Group (E7)

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UAE

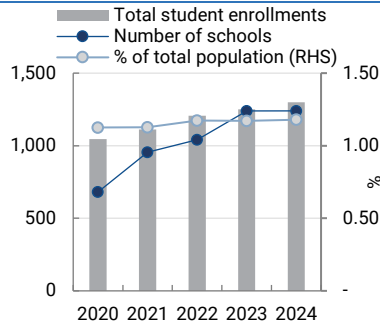
# Key operational highlights

### Robust UAE macro dynamics, stable expat population growth drives...



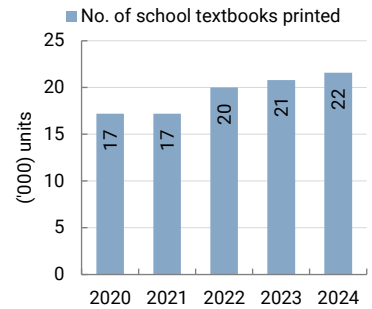
Source: Bayanat, CI Capital estimates

### ...school network expansion in tandem with student population growth...



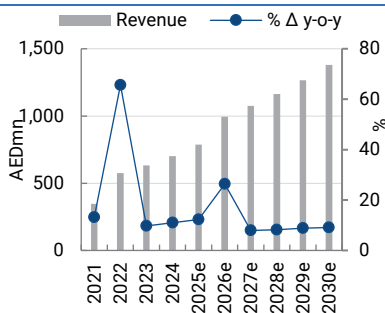
Source: Company data, CI Capital estimates

### ...driving demand for E7 Printing business



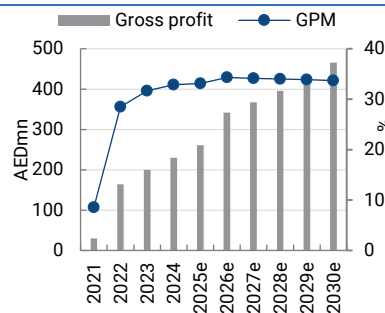
Source: Company data, CI Capital estimates

### Revenue to grow at c26% y-o-y in 2026e on influx of new contracts...



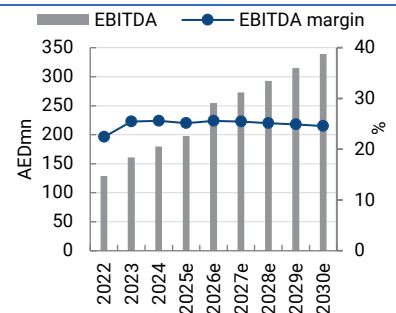
Source: Company data, CI Capital estimates

### ...while GPM slightly moderates on competitive tender pricing and...



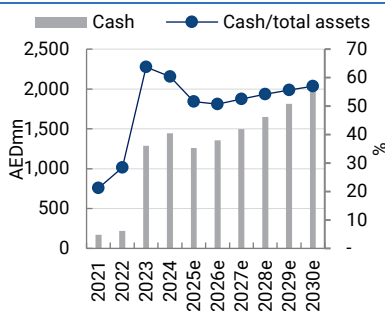
Source: Company data, CI Capital estimates

### ...rising contribution of packaging; leaving EBITDA margin at c25%



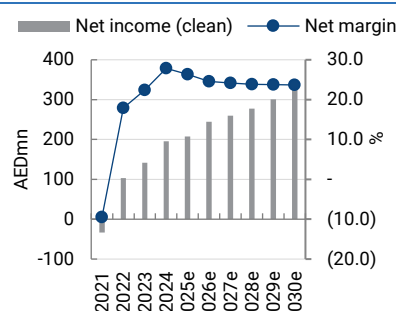
Source: Company data, CI Capital estimates

### A robust BS with zero leverage supports expansion ambitions...



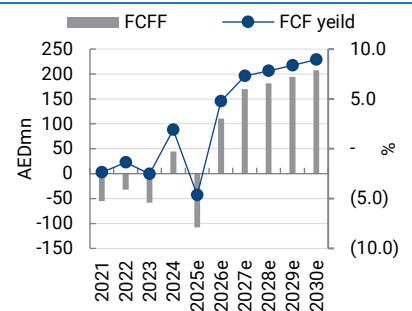
Source: Company data, CI Capital estimates

### ...while allowing operational growth to directly filter through to bottom line...



Source: Company data, CI Capital estimates

### ...with minimal capex needs, favourable WC cycle, boosting yield



Source: Company data, CI Capital estimates

**E7 Group (E7)**

Diversified

UAE

## Segments in detail

### 1. E7 Security (49% of revenue, 2024)

#### Market opportunity and growth drivers:

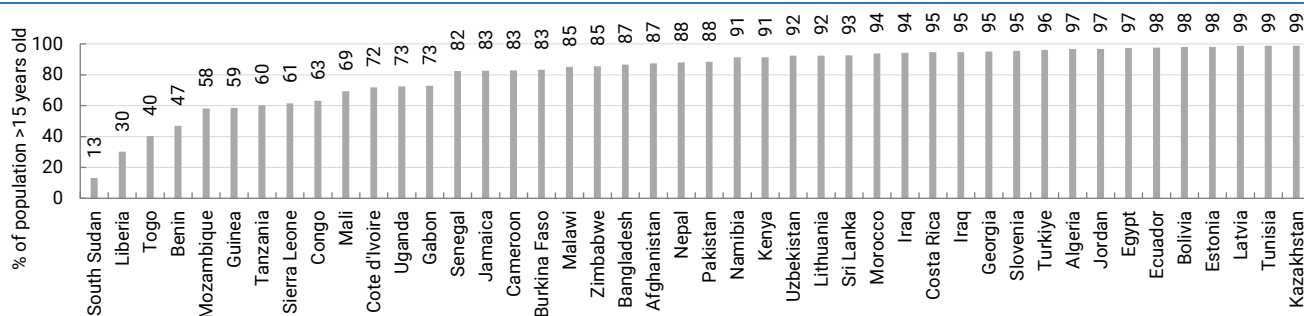
A significant opportunity for security products exists, with an estimated 850mn–1bn people lacking any form of official identification globally, primarily in lower-income countries in Sub-Saharan Africa and South Asia, 50% of which are children with unregistered births. The market for physical IDs (including passports, national IDs, and other IDs) is expected to grow globally at a 5–6% CAGR to reach USD6bn by 2029, with regional growth rates at +0.5% p.a., around 0% in Europe, +2.1% in MEA, and +0.5% in Latin America, driven by:

- Population growth and demographic change driven by both natural growth and immigration, rising per capita wealth, and increased international travel,
- Increasing security threats incentivising governments to continually upgrade ID documents, shift to higher quality materials, and integrating improved security features such as polycarbonate materials and smartcards,
- Increased integration of biometrics in passports and IDs to align with international security standards,
- Government digitisation, using identity as a tool to control citizen data access to ensure equitable and efficient distribution of government services.

On the digital identity front, the addressable market size for digital civil identity and retail banking, a subset of the total digital identity market, is projected to rise globally to USD35bn in 2028, as per industry data, growing at a faster pace than physical IDs at a 2024–32 CAGR of c17%, with exponential growth drivers being:

- Increased demand for enhanced user authentication and reliable identity management systems to ensure privacy and prevent fraud due to rising cyber threats and the shift toward online transactions;
- The shift towards digital transformation and paperless processes, such as e-visa and e-government services, requires digital IDs that are linked to physical IDs issued by government, with the physical ID serving as an anchor for the digital ID;
- Initiatives pushing for digital expansion (Digital Travel Credentials by International Civil Aviation Organization (ICAO), ID4D by the World Bank, and the ID as a Service (IDaaS)).

#### Some 1bn people still lack any form of identity – ID ownership in select developing markets



Source: World Bank ID4D, CI Capital Research

## E7 Group (E7)

Diversified

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### Competitive landscape:

Physical document manufacturing is carried out by a handful of companies globally. In some cases, governments have established their own national printing houses to meet local demand and protect intellectual property (IP). A limited number of peers provide an integrated platform for identity solutions globally, with competitive advantages boiling down to: on-ground sales and marketing presence, local partnerships, technological superiority, and experience in delivering large-scale identity programmes to governments.

However, there is a significant white space for identity players to specialise in parts of the value chain, such as hardware development and services, physical document printing, digital identity, tax stamps, and currency. Players differentiate themselves based on their specialisation, namely:

- ▼ In-sourcing or outsourcing of solutions across the value chain
- ▼ Technological superiority
- ▼ Ease of customisation
- ▼ Modularisation
- ▼ Accuracy
- ▼ Project execution and integration capabilities

### A solid track record backed by industry renowned certifications

As a comprehensive security solutions provider, E7 Security differentiates itself by its capability to provide end-to-end solutions including manufacturing, personalisation, and customer support. It targets to backward integrate into software and system integration, as it is well-gearred with top industry certifications.

### 10+ top-tier industry certifications earned

#### Key accreditations and certifications – E7 Security

- Intergraf - ISO 14298 Management of Security Printing Processes (Central Bank level) – renewed in 2024
- MasterCard
- Card Quality Management (CQM) MasterCard
- CEC Card Eco Certification Scheme from Master Card (incorporating 78% recycled PVC)<sup>(1)</sup>
- Visa
- Union Pay Card Manufacturer – awarded in 2024<sup>(2)</sup>
- CQM certificate with IAC label for biometric cards
- GSMA Security Accreditation Scheme (SAS)
- G7 Certificate - Master Facility Grayscale
- ISO 27001:2013 - Information Security Management System – renewed in 2024
- ISO 9001:2015 - Quality Management System
- ISO 14001:2015 - Environmental Management System
- ISO 45001:2018 - Occupational Health and Safety Management System
- ISO 22031 Business Continuity Management System (ongoing)

Source: Company data

Note: (1) Expecting to earn a similar certification for Visa in 2025 (2) UnionPay is the world's biggest card network, with over 7bn cards issued worldwide. It is widely used by Chinese shoppers domestically and internationally and accepted in UAE. Qualifying to produce UnionPay cards is a major milestone for E7 Security, marking its global reach and expansion of production capabilities

**E7 Group (E7)**

Diversified

UAE

**Product offering and client base**

E7 Security caters to sectors that seek advanced security solutions with highly customised features. Scope of services spans design and security layers of products, personalisation, fulfilment packaging, distribution (track-and-trace), and call centre support.

**E7 Security product offering and client base**

Client	Product/Service	Description	Production capacity (units/annum)
Government	ePassports	Employs latest technologies and multiple security features; uses industry leading inks and materials exclusively available to security printing entities; also prints visa stickers.	3mn passports p.a.(current) 14mn passports p.a. (2026–30e)
	ID cards <sup>(1)</sup>	Offers contact chip, contactless chip, hybrid or dual interface cards including various memory capacities and the operating system that can be tailored to client needs and budgets. Provides various types of magnetic stripe cards customer requirements. Utilises a range of card body material based on the field of application (PVC, PET G, PC, or other).	> 50mn cards p.a.
	Tax stamps	Produces various types of physical tax stamps with high security features created to carry serialised codes for item-level production monitoring and supply chain track and trace.	6bn tax stamps p.a. (2026e)
	Security certificates	Specialises in secure certificate printing, personalisation, and design. Offers innovative, highly effective security features to prevent unauthorised use.	30mn security certificates p.a.
	Ballot papers	Secure, traceable, easy to use and process election ballot papers.	300mn ballot papers p.a.
	Biometrics	Advanced hardware allowing clients to include 3 biometric modalities – face, fingerprint, and iris. Meets demands of large authentication systems and scale down as per project requirements.	n/a
	Border and travel	Provides interoperable, fully scalable product suite for secure border control solutions.	n/a
	e-Government	Provides customised solutions for digitising documents for governments and corporates.	n/a
Banking	EMV cards	Produces Europay, Mastercard, Visa (EMV) cards with varying memory capacities and OS. Recently licenced to manufacture China UnionPay cards. <sup>(2)</sup>	25mn EMV cards p.a.
	Personalisation	Offers payment companies total card solutions to create unique and differentiated products. Includes contact chips, contactless chips, dual interface chips, and HiCo /LoCo magstripe encoding. Personalised designs – Embossing (gold, silver or black), indent printing (black, white or colour), colour image printing (CMYK), thermal printing (black or white), and drop-on-demand printing. Offers tailored services such as central and instant issuance for banking.	n/a
	Personalised packaging	Offers secure card fulfilment packaging complete with leaflets, user manuals and any promotional literature for personalised cards including VIP packs and envelope packs.	n/a
Transport	Contactless cards	Produce contact and contactless chips, hybrid or dual interface chips, with various memory capacities and operating systems. Employ chip technologies including MIFARE Classic, MIFARE Plus, MIFARE DESfire and Calyps.	n/a
	Pre-personalised paper tickets	Travel tickets with individual serial numbers for secure traceability and customised for individual vending systems.	n/a
	Account-based ticketing (ABT)	Offer ABT solutions with closed or open loop cards, with or without payment scheme certification.	n/a
Telecoms	eSIMs	Issues eSIMs, allowing customers to activate cellular plans from carriers without physical SIM. Up to eight eSIMs can be installed on each phone, simultaneous use of two contact numbers	n/a
	SIM cards	SIM services include CDMA, RUIM, GSM 2G, GSM 3G and LTE SIM – including various memory capacities, browsers and applets to match project requirements. Sizes include 2FF, 3FF, 4FF, full card, half card and quarter SIM. Manufacture using PVC, recycled PVC and ABS, and allow personalisation to match corporate branding. Offers tailored services such as over-the-air (OTA) solutions	>15mn SIM cards p.a.
	SIM card packaging	Provides SIM fulfilment packaging complete with leaflets, user manuals and promotional literature.	n/a

Source: Company data, CI Capital Research

Note: (1) Other products under the ID card category include: driving licences, vehicle licences, transport cards, parking cards, retail cards, loyalty cards, etc. Capacity is interchangeable

## E7 Group (E7)

Diversified

UAE

## 2. E7 Printing (35% of revenue, 2024)

Established as UPP in 2006, the division is the Group's legacy printing business, which handles printing of school textbooks, custom books, newspapers and publications, magazines, marketing materials, billboards, digital printing, outdoor printing.

Operating under this segment is a new subvertical called [United Education Publishing \(UEP\)](#), established in 2019, providing many integrated services in the fields of educational publishing.

### Market opportunity and growth drivers

The education sector in the UAE is poised for significant expansion. The UAE government has introduced multiple strategic initiatives as it aims to solidify its position as a global education hub and enhance the sector's global competitiveness. With a growing young expat population and rapid acceleration towards the Education 33 (E33) Strategy targets announced in Oct-24, increasing land area allocated for educational purposes by 25%, at least 100 new private schools are set to open in Dubai and Abu Dhabi by 2033, adding 49.9k new school seats. The 2025/26 academic cycle will see the launch of at least 10 officially confirmed schools, with several more in the approval pipeline.

In 2017, the MoE has made it mandatory for all students across all schools in the UAE (public and private) to offer Arabic as a core subject regardless of curriculum taught, with two versions offered for private schools: one is for students who speak Arabic as a first language (from Grade 1 to Grade 12) and the other is for students learning Arabic as a second language (compulsory up to Grade 9). In addition, schools offering international curriculum must teach Islamic studies, which is mandatory for Muslim students and optional for non-Muslims. Social studies is also a mandatory subject for all students up to Grade 9. Hence, all students across the UAE schools must use MoE prescribed textbooks as the main resource in their curriculum.

Other key growth areas include:

- ▼ Pivoting towards latest printing solutions and managed services focused on personalisation, customisation, and accessibility,
- ▼ Providing integrated educational solutions for schools and educators,
- ▼ Expanding educational solutions business through growth in new geographies and partnerships to enhance integrated educational solutions package,
- ▼ Deepen penetration of commercial printing solutions in the UAE and other priority markets such as Middle East and Africa,

### Competitive landscape:

The commercial printing market is highly fragmented, with E7 Printing's market share estimated at c16%. It is by far the largest, thanks to the core MoE contract and other UAE government contracts providing them with an edge over competition.

Commercial printing is facing severe headwinds due to the shift to digital; however, E7 Printing has been able to absorb some of the impact due through its diverse portfolio. Also, E7 Printing will adopt the web-to-print model on a trial basis, which requires minimal additional investment and holds the potential to tap into new markets and offer more flexible printing solutions to client.



**E7 Group (E7)**Diversified  
UAE**Product offering and client base**

Under a long-term contract with the MoE in 2020, E7 Printing supplies c25mn schoolbooks annually to +1mn students across 1.1k UAE schools with E2E solutions, including:

- ▼ Complete curriculum delivery
- ▼ Full educational software suites
- ▼ Educational publishing and platforms
- ▼ Education consulting
- ▼ Training and development
- ▼ E-learning platforms and an online library

Additionally, in 2024, E7 Printing expanded reach by acquiring new contracts in the African market for textbooks and digitally printed exam papers.

**Key commercial printing customers**

Source: Company data

Note: (1) Presented names represent key clients

**Key educational content customers**

Source: Company data

**World-class industry certifications earned****Key accreditations and certifications – E7 Printing**

- Environmental Management System ISO14001:2015, certified since 2016
- Quality Management System ISO 9001:2015, Certified since 2016
- Occupational Health and Safety (OH&S) Management System
- ISO 45001:2018, certified since 2016
- Business Continuity Management System ISO 22301:2019, in process
- Information Security Management Systems ISO 27001:2022
- Abu Dhabi Occupational Safety and Health System Framework (OSHAD SF)
- Forest Stewardship Council – FSCTM Chain-of-Custody, in Process

Source: Company data

**E7 Education: United Education Publishing (UEP)**

UEP is one of the E7 Group's subsidiaries, operating alongside E7 Printing, providing K-12 educational institutions in the UAE's innovative educational products, solutions, and consultations. It contributes effectively to developing the educational system and enhancing its global competitiveness. UEP offers these services for a margin.

With increased adoption of edtech solutions, E7 Education's mission is to help deliver engaging quality educational content and enhance student learning experience via cooperation with various digital service providers (new learning platforms or educational applications) locally and internationally. Under E7's partnership, a suite of AI-powered educational tools will be deployed across private UAE schools, enhancing communication, performance monitoring, and privacy protection through advanced security measures.

In this respect, in Dec-24, E7 Education announced two key partnerships with Kutubee and School Voice at GESS Dubai 2024, reinforcing its commitment to delivering innovative, secure, and efficient educational solutions tailored to the UAE's evolving needs.

- ▼ Kutubee is an interactive reading platform from Jabal Amman Publishers, offering over 1.6k levelled and illustrated stories in Arabic, English, and French for students aged 3–14. It is accredited in 22+ countries and features audio narration, reading guides, and gamified progress tracking to foster literacy and language skills. Integrated into the UAE's Arabic curriculum, Kutubee supports both public and private schools.
- ▼ School Voice is an interactive, unified communication platform that connects schools, parents, teachers, and students to enhance real-time progress tracking.

E7 Group expanded its literacy platform to offer English and French literacy programmes, in addition to Arabic, serving both public and private education sectors across the UAE.

## E7 Group (E7)

Diversified  
UAE

### 3. Tawzea' by E7 (11% of revenue, 2024)

Tawzea's main addressable segment is secure shipments, which make up 4% of the total market, where Tawzea' holds a significant market share. Tawzea' started out as a distributor for newspapers and magazines under Abu Dhabi Media Company, which gave the business and network a wide reach. The distribution arm currently boasts a fleet of over 450 vehicles across the entire UAE, unmatched by other players.

Tawzea' serves as a complementary service to all other segments (secure document and print business delivery) offering delivery and package tracking.

Tawzea's standout success in 2024 was notably increasing its share of wallet among key clients. This performance was bolstered by expanding and diversifying its customer roster to include government agencies, healthcare providers, and spare-parts firms, solidifying its operational strength. Throughout the year, the company secured significant contracts with governmental entities and added agreements across multiple industries, enhancing its commercial mix. Additionally, Tawzea' achieved substantial growth in logistics volumes, improving shipments across a range of sectors.

As the business landscape is becoming increasingly digital, E7 is relying on newer and innovative technologies and digital platforms to enhance customer experiences.

- ▼ **Courier services (UAE):** Door-to-door secure delivery within the Emirates and 24/7 customer support for banking and SIM cards.
- ▼ **Track and Trace systems:** Checks authenticity and trace from manufacturer to consumers – that is in Tawzea' (important in delivery of IDs and medical supplies) – use that innovation and link it to packaging – linking security and packaging together

#### Market opportunity and growth drivers:

The last-mile logistics market is estimated at USD3.2bn in UAE and is expected to grow at 12% CAGR over the next 10 years. Key market trends include:

- ▼ **E-commerce surge & rapid delivery:** Growing consumer demand for same-day and next-day deliveries is prompting logistics firms to invest in high-tech sorting centres, fulfillment hubs, and last-mile solutions, including drones, autonomous vehicles, and AI-driven routing.
- ▼ **Sustainability in logistics:** Companies are adopting eco-friendly practices – such as electric and hybrid fleets, energy-efficient warehouses (e.g., solar-powered), and sustainable packaging – in response to regulatory targets (Net-Zero 2050) and consumer preferences.
- ▼ **Omni-channel fulfillment:** Retailers are integrating online and physical retail by using brick-and-mortar stores as micro-fulfillment centres or dark stores, providing seamless customer experiences across channels.
- ▼ **Cold chain expansion (pharma & F&B):** Robust growth in temperature-controlled logistics (c8% CAGR) driven by pharmaceuticals and perishable goods, with investments in refrigerated storage, real-time IoT monitoring, and blockchain traceability.

#### Competitive landscape:

The UAE's last-mile logistics sector is highly fragmented, with a wide array of international, regional and local players competing fiercely. Market leaders stand out by combining low-cost operations, robust technology, focused infrastructure, and strategic pricing – allowing them to maximise capacity utilisation and profits. Leading firms typically offer end-to-end logistics services spanning the full value chain.

**E7 Group (E7)**

Diversified

UAE

To stay competitive, providers continuously optimise their delivery networks and leverage advanced technology – such as AI-powered routing, IoT tracking, automation – and increasingly explore drones and autonomous vehicles, helping reduce costs and improve efficiency in a market where customers have many options.

Accordingly, Tawzea' optimised its operations, under the "Right-Size Scenario 2023" programme, to align with a revamped business model. Call centre functions were restructured via outsourcing and new technologies to enhance efficiency. In line with sustainability and cost-saving objectives, the company transitioned 35% of its delivery fleet to compressed natural gas (CNG)-powered vehicles – with a target of 50% penetration by 2025 – and introduced electric bikes currently comprising 3% of its two-wheeler fleet. These strategic moves are already reducing fuel expenditures and are expected to significantly improve the overall cost structure.

In 2024, Tawzea' achieved strong momentum with its shipment volume reaching 3.1mn – a 23% y-o-y increase – signalling robust growth and expanding market reach. Customer satisfaction also hit a new high, scoring 99.86%, up from 98.74% in 2023, underscoring the company's commitment to continuously enhancing the customer experience. Tawzea' is poised to further grow via diversifying its revenue streams through new business wins, targeting mainly e-commerce, banking and consumer-to-consumer sectors.

**Serving a diverse renowned client base**

Source: Company data

**Product offering and client base:**

- Mainly acts as a value-added service for security and printing segments in addition to some selective third-party distribution business.
- In addition to the secure delivery of Emirates ID cards, another big chunk of Tawzea's business comes from E7 Printing clients, namely: school textbooks packaging and delivery (customised by student name and credentials, which makes it high margin) and customers of marketing collateral printing.
- In 2023, management took the decision to right-size the business, adding only high margin/niche clients for third-party distribution, in addition to E7's own products.
- Tawzea' onboarded two UAE government entities in 2024 (Ministry of Foreign Affairs and Ministry of Interior).
- There is significant potential for cross selling opportunities for the distribution segment as the business grows, especially as banking client base expands.

**Tawzea' solutions include:**

- Shipment distribution for B2B and B2C clients
- Personalised secured delivery with biometric verification capabilities in a CCTV and GPS monitored fleet
- Same day and overnight delivery services
- Mail room management services
- Publications' subscription and distribution solutions
- Last-mile e-commerce solutions
- Reverse logistics solutions
- Custom packaging and fulfilment solution

**Certifications earned in 2024****Key accreditations and certifications – Tawzea'**

- ISO 22301 Business Continuity Management System Certification
- ISO 45001 (health and safety at workplace)
- ISO 9001 (quality management systems)
- ISO 14001 (environment management systems).

Source: Company data

## E7 Group (E7)

Diversified

UAE

### 4. E7 Packaging (5% of revenue, 2024)

E7's most nascent segment, established in 2022, expanded its sustainable packaging solutions in 2023 with the introduction of two additional folding carton lines and a new paper cup production line. Most of the products are made from paper, supporting recyclability and biodegradability. E7 has secured the British Retail Consortium Global Standards (BRCGS) Certification for Packaging Materials in 2023 and renewed it in 2024, and the Gluten Free BRCGS Certification in 2024, solidifying the group's eco-design.

E7 Packaging currently operates with an annual capacity of 18k tonnes of folding carton and 1mn paper cups, serving a diverse client base. Since 2022, E7 Packaging has onboarded over 60 customers encompassing several sectors: packaged food, pharmaceuticals, healthcare, FMCG, consumer goods, and luxury packaging. Their solutions portfolio includes four sustainable offerings, and they export to four countries (Jordan, Oman, Saudi, and the Netherlands).

The company has achieved top-tier certifications, including BRCGS AA+ and GMP, and boasts modern manufacturing infrastructure and a seasoned packaging team. Through its comprehensive services and technological capabilities, E7 Packaging is well-positioned to meet evolving market demands

#### Market opportunity and growth drivers:

The Middle East and Africa packaging market is projected to reach approximately USD97bn by 2028. Global packaging consumption is climbing steadily, projected to reach approximately USD1.4tn by 2028, with regions like Asia, Africa, and the Middle East leading the way, growing at a robust 5–6% CAGR. This surge is fuelled by:

- ▼ Population growth;
- ▼ Rising demand for packaged food and beverages;
- ▼ Rapid e-commerce expansion;
- ▼ Industrial development;
- ▼ Focus on sustainability; – the industry is intensifying its focus on sustainability and innovation, embracing recyclable, compostable, and mono-material solutions. Additionally, players are optimising profitability through portfolio resilience, customer loyalty, geographic reach, and cost leadership. Amid broader trends – such as urbanisation, changing consumption patterns, and regulatory scrutiny – paper and flexible plastics are best positioned to capitalise on opportunities and navigate challenges;
- ▼ Inorganic growth through expanding product offerings in the premium and niche segments and penetrating new geographies.

#### Competitive landscape:

Competition is intense, with a mix of global and regional firms vying for a relatively small pool of customers in the GCC and broader MENA region. E7 Packaging has been navigating this competitive landscape by adapting to varying degrees of pricing pressure across different product segments, with new tech-driven and niche products facing less pricing pressure and offering higher margin potential.

Also, E7 has differentiated itself through cost leadership, geographical diversification, innovation in materials and substrates, with a clear focus on forward integration through direct-to-customer channels and services to capture higher share from the value chain.

**E7 Group (E7)**

Diversified

UAE

**Product offering and client base:**

E7 packaging portfolio is diverse, growing and serves different sectors

**E7 Packaging product offering and client base**

Client	Product/Service	Description	Production capacity (units/annum)
Companies across several sectors	Custom packaging design	Tailored solutions for unique packaging needs, including structural design and graph	Total capacity 18k tpa
	Digital and flexo printing	High-quality printing techniques for vibrant colours and detailed graphics on various packaging materials	
	Sustainable packaging	Eco-friendly materials and designs that focus on reducing environmental impact	
	Labelling services	Production of custom labels for products, including adhesive labels, shrink sleeves, and tags	
	Prototyping and samples	Creation of prototypes and sample packaging to test designs before full-scale production	
	Consultation and support	Expert advice on packaging materials, design trends, regulatory compliance, and supply chain logistics	

Source: Company data, CI Capital Research

**E7 Packaging key clients to date**

Source: Company data

**Solid brand equity supports market share gains**

As a comprehensive service and solution provider, monetising on its commendable track record, we see E7 Packing gaining traction, maximising its current facility utilisation and revenue growth, and ultimately increasing its market share through:

- ▶ Diversifying its product portfolio via partnerships or inorganic acquisitions;
- ▶ Serving customers in GCC and other high growth markets such as Africa and the Asian subcontinent through UAE-based operations. Export markets are key to UAE's packaging industry as approximately 10–15% of paperboard and over 40% of flexible packaging capacity is directed towards overseas market;
- ▶ Focusing on niche markets to drive profitable growth, with an emphasis on sustainability, technology, and innovation in paperboard and flexible packaging categories.

## E7 Group (E7)

Diversified  
UAE

### MENA region's first SPAC, backed by a solid shareholder base, management team

In Apr-22, Alpha Oryx, ADQ's special purpose vehicle (SPV), and Chimera Investments announced the establishment of ADC Acquisition Corporation (ADC), the UAE and the MENA region's first Special Purpose Acquisition Company (SPAC). The blank check firm was created to invest in scalable fast-growing, technology-driven firms in the MENA region with strong management teams and attractive valuations.

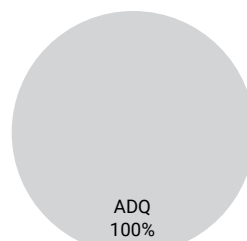
This followed the issuance of the regulatory framework for SPACs by the UAE's Securities and Commodities Authority (SCA) in Feb-22, modelled on international SPAC regulations, making ADX the first market in the region to introduce comprehensive listing rules for SPACs.

In May-22, ADC raised AED367mn (USD100mn) through an IPO of 36.7mn shares at an offer price of AED10/share, sold to qualified retail and institutional investors in a public subscription and listed the SPAC on the ADX. The successful listing of ADC highlights the attractiveness of this alternative route for companies in the UAE to access capital markets, offering a faster, less expensive alternative to the traditional IPO method.

In Sep-23, ADC agreed to acquire ADQ's 100%-owned United Printing & Publishing (UPP), with the combined entity becoming a publicly listed company on the ADX and ADQ remaining its largest shareholder.

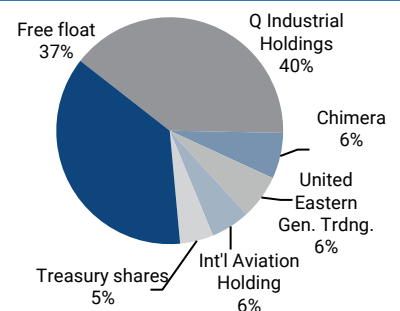
In Oct-23, following shareholder approval, ADC announced the successful completion of AED734mn PIPE bookbuild, which was 10x oversubscribed by leading qualified and institutional investors. The SPAC and PIPE fundraising left the combined entity well-positioned with AED1.1bn to pursue organic and inorganic growth plans. In Nov-23, new shares of ADC issued as part of the PIPE transaction began trading on the ADX, and the combined entity was renamed to E7 Group.

#### Ownership pre-SPAC combination



Source: Company data

#### ADQ retains majority share post de-SPAC



Source: Company data

**E7 Group (E7)**

Diversified

UAE

**E7 warrant terms**

No. of public warrants issued (mn)	18.4
No. of private warrants issued (mn)	4.6
Total no. of warrants issued (mn)	22.9
Conversion ratio	1:10
Expiration date	26 Dec-26
Exercise price (AED/share)	1.15
Redemption trigger price (AED/share)	1.80
Max. potential profit (AED/warrant)	0.65
Total max potential profit (AEDmn) <sup>(1)</sup>	149.1
Max. no. of shares needed for conversion (mn)	82.8
No. of treasury shares held (mn) <sup>(2)</sup>	(100)

**Dilutive impact of warrants on TP**

New no. of outstanding shares post conversion (mn) <sup>(3)</sup>	2,082
Adjusted TP	1.94
% Δ	-4.0

Source: Company data, CI Capital estimates

Note: (1) Calculated for 22.9mn warrants; (2) Treasury shares issued through MCB with the purpose of covering warrant conversion if exercised; (3) based on maximum no. of shares needed for conversion

**Minimal dilutive impact from warrants**

Pursuant to the SPAC transaction, ADC issued 18.4mn public warrants (issued to common shareholders) and 4.6mn private warrants (to its sponsors –ADQ and Chimera, in exchange for the technical services delivered to the group). These warrants were issued at nil consideration on the basis of one warrant for every two Class A shares. Warrant issuance is a typical mechanism in SPAC deals. Issued alongside ordinary shares (often bundled in what is named a SPAC unit), warrants are seen to offer investors additional potential upside, making the offering more attractive.

The warrants have been listed and traded on ADX alongside the SPAC shares since May-22, under the ticker ADCW (later changed to E7W). Following the de-SPAC (merger) transaction, those warrants have been classified as current liabilities on E7 financials and accounted for as derivative financial liabilities at FVTPL, hence impacting earnings as they are marked to market at each reporting period. The warrants are exercisable after 30 days from business combination (i.e. beginning Dec-23) and up to 36 months (i.e. until Dec-26). Each warrant entitles the holder to purchase 10 shares at a price of AED 1.15 per share. As of 31 Mar-25, none of these warrants has been exercised.

On 21 Dec-23, E7 purchased 100mn treasury shares (previously issued as mandatory convertible bonds to Q Industrial Holdings, raising E7's issued share capital from AED499.8mn to AED 524.8mn) to cover the conversion of warrants upon their exercise.

As per the warrant agreement terms, warrant conversion will be on a cashless basis, with the new shares to be issued upon conversion only equivalent to the profit entitlement. Moreover, E7 holds the right to fully redeem all outstanding warrants (a total of 22.9mn public and private warrants) at a nominal amount (AED 0.01/warrant) should the underlying share price reach AED1.80/share (redemption trigger price). That said, we estimate a maximum of c83mn shares will be required for conversion at the redemption trigger price of AED1.80/share, which can be fully covered by the existing 100mn treasury shares held by E7. Hence, minimal dilutive impact for E7's existing shareholders upon warrant exercise. Full warrant redemption by the company and the re-issuance of 82.8mn shares (out of 100mn treasury shares held), reduces our TP by a marginal 4% to AED1.94/share.



**E7 Group (E7)**  
Diversified  
UAE

### Backed by a solid BoD, management team

#### Board of Directors

Name	Position	Executive/ Non-executive	Date of appointment	Years of experience & Educational background	Other positions held
Eng. Ahmed Al Shamsi	Chairman	Non-executive	Dec-23	<ul style="list-style-type: none"> <li>23 years</li> <li>Master's degree in Quality Management, University of Wollongong</li> <li>Bachelor's in Chemical Engineering, University of Tulsa, US</li> </ul>	<ul style="list-style-type: none"> <li>Chief Executive Officer – TAQA Water Solutions</li> <li>Vice Chairman – EMARAT General Petroleum Corporation</li> </ul>
Dr. Jaap Kalkman,	Deputy Chairman	Non-executive	May-24	<ul style="list-style-type: none"> <li>30 years</li> <li>PhD in Mathematics; MSc in Theoretical Physics, Utrecht University, Netherlands</li> </ul>	<ul style="list-style-type: none"> <li>Group Chief Investment Officer – ADQ</li> <li>Non-Executive Director and NRC Chairman – Etihad Airlines</li> <li>Non-Executive Director and Chairman – Arcera Pharmaceuticals</li> <li>Non-Executive Director – Contago Consulting</li> </ul>
Iman Al Qasim	Independent	Non-executive	Dec-23	<ul style="list-style-type: none"> <li>24 years</li> <li>BBA with a specialisation in Marketing &amp; Management, The American University of Sharjah, UAE</li> <li>MBA, University of Bath, UK</li> </ul>	<ul style="list-style-type: none"> <li>Non-Executive, Independent Board Member – TAQA</li> <li>Executive VP, Human Capital – Emirates Global Aluminium (EGA)</li> <li>Executive Director – EGA America</li> <li>Executive Director – Guinea Alumina Corporation</li> <li>Non-Executive Director and Chairperson of Nomination and Remuneration Committee – Aramex</li> </ul>
Domantas Bagusis	Independent	Non-executive	Dec-23	<ul style="list-style-type: none"> <li>13 years</li> <li>Bachelor's in Business and Politics, Aston University, UK</li> <li>MBA, INSEAD, France</li> </ul>	<ul style="list-style-type: none"> <li>Senior Investment Manager – ADQ</li> <li>Director – Dubai Cable Company Pvt Ltd</li> <li>Director – Al Gharbia Pipe Company LLC</li> <li>Director – Senaat</li> </ul>
Jan Juul Larsen	Independent	Non-executive	Dec-23	<ul style="list-style-type: none"> <li>39 years</li> <li>MSc in Dairy and Food Technology, Copenhagen University,</li> <li>Executive programmes at IMD, Switzerland</li> </ul>	<ul style="list-style-type: none"> <li>Shareholder and CEO – JJ Larsen Management Consulting</li> <li>Non-Executive Director in the advisory board of Mohinani Group</li> </ul>
Mohammad Adnan Sharaf	Independent	Non-executive	Dec-23	<ul style="list-style-type: none"> <li>16 years</li> <li>LLB (Hons), University of Westminster, London</li> <li>Post-Graduate Diploma in Legal Practice (Commendation), University of Law</li> <li>Solicitor of the Supreme Courts of England and Wales</li> </ul>	<ul style="list-style-type: none"> <li>Non-Executive Director – Abu Dhabi Sustainable Water Solutions</li> <li>Non-Executive Director – Massar Solutions PJSC</li> <li>Member of Audit Committee – Abu Dhabi Aviation PJSC</li> <li>Non-Executive Director – TAQA Water Solutions Holding</li> <li>Chief Legal Officer and Board Secretary – TAQA</li> </ul>
Saif Al Hammadi	Independent	Non-executive	Dec-23	<ul style="list-style-type: none"> <li>Bachelor in Finance, Zayed University, Abu Dhabi</li> </ul>	<ul style="list-style-type: none"> <li>n/a</li> </ul>

Source: Company data



**E7 Group (E7)**  
Diversified  
UAE

**Backed by a solid BoD, management team (Cont'd)**

Executive management					
Name	Position	Executive/ Non-executive	Date of appointment	Years of experience & Educational background	Previous positions held
Esteban Gómez Nadal	Group CEO	Executive	Dec-24 <sup>(1)</sup>	<ul style="list-style-type: none"> <li>Over 30 years</li> <li>Bachelor of Science in Economics, Universidad Autónoma de Madrid, Spain</li> </ul>	<ul style="list-style-type: none"> <li>Executive Director, Office of MD and GCEO, ADNEC Group</li> <li>Acting CEO, Tourism 365, ADNEC Group</li> <li>Chief Growth Officer, Abu Dhabi Media Company (ADMC)</li> </ul>
Faizal Amod	Group CFO	Executive	Aug-22	<ul style="list-style-type: none"> <li>20 years</li> <li>Chartered Accountant (SA)</li> <li>Bachelor of Commerce, University of the Witwatersrand, South Africa</li> <li>Bachelor of Accountancy, University of the Witwatersrand, South Africa</li> </ul>	<ul style="list-style-type: none"> <li>CFO, Arkan Building Materials</li> <li>CFO, Abu Dhabi Basic Industries Corporation</li> <li>CFO, Trans Caledon Tunnel Authority</li> <li>CFO, Eskom Finance Company</li> </ul>
Moulik Mahesh Kumar	Chief Strategy & Transformation Officer	Executive	Jun-23	<ul style="list-style-type: none"> <li>15 years</li> <li>Bachelor of Mechanical Engineering, NIT Trichy, India</li> <li>MBA with a specialisation in Strategy and Operations, Indian School of Business, India</li> </ul>	<ul style="list-style-type: none"> <li>Restructuring and Transformation Manager, ADQ</li> <li>Client Advisor, McKinsey &amp; Co.</li> <li>Supply Chain Manager, Suzuki Cars Division, India</li> </ul>
Clinton Genty Nott	General Counsel	Executive	Jan-24	<ul style="list-style-type: none"> <li>23 years</li> <li>Qualified lawyer in the UK</li> </ul>	<ul style="list-style-type: none"> <li>Multiple roles within global banks, a Middle Eastern sovereign wealth (PE) fund and a publicly listed Saudi manufacturing and rentals company</li> <li>Proven track record of developing and delivering management strategies, providing legal counsel, and implementing international standards of corporate governance, codes of conduct, ethics policies, and legal risk strategies</li> </ul>

Source: Company data

Note: (1) Following retirement of ex-CEO Ali Al Nuaimi from his executive role after more than 18 years with the Group

## E7 Group (E7)

Diversified

UAE

## Financial statements

AEDmn   FY end: Dec	2023a	2024a	2025e	2026e	2027e
<b>Income statement</b>					
Revenue	632	701	788	995	1,074
CoGS	(432)	(471)	(527)	(654)	(707)
Gross profit	200	230	261	341	367
SG&A	(76)	(90)	(103)	(130)	(140)
EBITDA	161	179	198	255	273
Depreciation	(37)	(39)	(40)	(43)	(46)
EBIT	124	140	158	212	227
Net interest expense	10.3	70.3	62.1	51.9	52.7
EBT	140	257	229	269	285
Taxes	-	(23.3)	(20.6)	(24.1)	(25.6)
Net income	(51.1)	233	209	244	259
Net income – clean <sup>(1)</sup>	142	195	207	244	259

**Balance sheet**

Cash	1,285	1,442	1,260	1,354	1,496
Receivables	263	307	329	413	442
Inventory	176	242	288	352	377
Current assets	1,729	1,995	1,881	2,123	2,319
Net fixed assets	279	379	543	525	506
Non-current assets	289	396	564	549	532
Total assets	2,018	2,390	2,445	2,672	2,851
Public warrants	43.7	16.6	15.8	15.8	15.8
Private warrants	10.9	4.15	3.95	3.95	3.95
Payables	260	313	311	386	418
Deferred revenue	44.5	44.8	50.7	55.9	58.0
Lease liabilities	1.96	5.38	5.91	5.76	5.61
Current liabilities	368	412	413	496	531
EoS benefits provisions	27.5	27.1	27.1	27.1	27.1
Lease liabilities	4.84	8.82	5.84	1.84	-
Non-current liabilities	32.4	36.0	32.9	28.9	27.1
Total liabilities	400	448	445	525	558
Shareholder equity	1,618	1,942	2,000	2,147	2,293

**Cash flow summary**

Operating income before WC Δ	174	197	207	260	278
Working capital	(170)	(65.0)	(75.6)	(88.4)	(45.1)
Cash from operations	3.58	132	131	171	233
Capex	(49.3)	(43.3)	(206)	(27.5)	(28.8)
Cash from investing	(36.9)	29.8	(155)	26.1	25.4
Dividends & appropriations	-	-	(151)	(97.2)	(114)
Cash from financing	1,099	(5.05)	(158)	(103)	(117)
Change in cash	1,066	157	(182)	94.2	141

Source: Company data, CI Capital estimates

Note: (1) ex-nonrecurring items FX gains (losses), non-cash listing expense, FV adjustment on warrant liabilities at FVTPL, and ECL provisions; 2023 adjusted mainly for AED191mn in non-cash listing expense; 2024 adjusted mainly for +AED33mn FV adjustment on warrant liabilities Closing price as of 10 July 2025

	2023a	2024a	2025e	2026e	2027e
<b>Basic data (AED)</b>					
EPS	n/m	0.12	0.10	0.12	0.13
EPS - clean	0.07	0.10	0.10	0.12	0.13
DPS	-	0.07	0.05	0.06	0.06
BVPS	0.81	0.97	1.00	1.07	1.15
<b>Valuation</b>					
P/E (x)	n/m	9.93	11.1	9.49	8.94
P/E (x) – clean	16.4	11.9	11.2	9.49	8.94
P/BV (x)	1.43	1.19	1.16	1.08	1.01
FCF yield (%)	(2.52)	1.91	(4.65)	4.78	7.31
Dividend yield (%)	-	6.34	4.05	4.74	5.03
EV/revenue (x)	1.69	1.53	1.36	1.08	1.00
EV/EBITDA (x)	6.66	5.97	5.40	4.21	3.92

**Growth (% y-o-y)**

Revenue	9.69	11.0	12.3	26.4	7.93
EBITDA	24.7	11.6	10.4	28.5	7.27
EBIT	35.6	13.1	12.6	33.9	7.17
Net income	n/m	n/m	(10.6)	17.1	6.11
Net income - clean	37.3	37.8	6.11	18.0	6.11

**Profitability (%)**

RoE	(3.16)	11.8	10.3	11.2	11.1
RoA	(2.53)	9.61	8.40	9.00	8.96
Asset turnover (x)	0.31	0.29	0.32	0.37	0.38
Gross margin	31.6	32.8	33.1	34.3	34.2
EBITDA margin	25.5	25.6	25.2	25.6	25.4
Net margin	(8.09)	33.3	26.5	24.6	24.1

**Liquidity (x)**

Debt/equity	0.00	0.01	0.01	0.00	0.00
ND/equity	(0.79)	(0.74)	(0.62)	(0.63)	(0.65)
ND/EBITDA	(7.95)	(7.96)	(6.30)	(5.29)	(5.46)
Current ratio	4.70	4.84	4.56	4.28	4.37
Quick ratio	4.22	4.25	3.86	3.57	3.66

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The definition of each rating for equities listed in Egypt is as follows:

**Overweight (OW):** Estimated total potential return greater than or equal to 20%

**Neutral (N):** Estimated total potential return greater than or equal to 0% and less than 20%

**Underweight (UW):** Estimated total potential return less than 0%

**NR:** Not Rated

**SP:** Suspended

The definition of each rating for equities listed in the GCC is as follows:

**Overweight (OW):** Estimated total potential return greater than or equal to 15%

**Neutral (N):** Estimated total potential return greater than or equal to -5% and less than 15%

**Underweight (UW):** Estimated total potential return less than -5%

**NR:** Not Rated

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