INITIATION

E7 Group (ADX: E7)

Identity expansion and the path to stronger cash returns

RECOMMENDATION	SHARE PRICE	FAIR VALUE	UPSIDE	DIVIDEND YIELD	12-MONTH TSR
BUY	AED 0.920	AED 1.06	+15.2%	10.9%	+26.1%

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AED millions unless otherwise stated

Investment view

Our investment case rests on two connected opportunities: the growth of Identity Solutions and the returns E7 can earn from its expanded manufacturing base. Its government relationships provide a platform for additional programmes in the UAE and internationally, while the new facilities offer room to grow without a comparable increase in production infrastructure.

The first-half 2026 results showed the direction of travel. Identity Solutions revenue rose 47.5% to AED 221.8 million and accounted for approximately 62% of group sales. Group EBITDA increased 51.9% to AED 79.0 million despite softer trading in parts of the wider business. [1][2]

The group describes more than 70% of its revenue as recurring, supported by long-term government contracts and repeat demand for secure credentials. Those relationships provide a degree of revenue visibility and place E7 in a different position from conventional commercial printers, although order volumes and the timing of collections can still vary. [1][2]

We forecast revenue increasing from AED 675.6 million in FY2025 to AED 951.0 million by FY2030, with EBITDA rising from AED 153.6 million to AED 237.8 million. Identity Solutions contributes approximately AED 259 million of the AED 275 million increase in group revenue. Near-term margin expansion is constrained by freight and supply-chain costs, with EBITDA margin of 22.4% in FY2026 and 22.8% in FY2027 before recovering to 25.0% by FY2030. [2][3]

Our blended fair value is AED 1.06 per share, implying 15.2% capital upside from AED 0.920. Including the expected 10 fils dividend over the next 12 months, we estimate a 26.1% total shareholder return, supporting our Buy rating. [1][2][3][4]

At a glance	FY2025A	FY2026E	FY2027E	FY2030E
Revenue, AED m	675.6	760.4	808.1	951.0
EBITDA, AED m	153.6	170.3	184.3	237.8
EBITDA margin	22.7%	22.4%	22.8%	25.0%
Net profit, AED m	104.2	130.8	140.7	183.6
Identity revenue, AED m	342.8	446.6	491.3	601.8

Source: E7 Group reported results; Evermore Research forecasts. [1][2][3]

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Company data

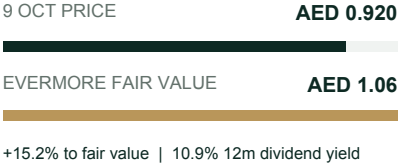
Exchange	ADX
Ticker	E7
Market cap (AED m)	**1,873.1**
Shares outstanding (m)	**2,036.0**
Free float (%)	**44.4%**
52-week range (AED)	**0.912 - 1.150**

Company profile

E7 Group is an Abu Dhabi-listed company with five business units: Identity Solutions, Printing, Education, Packaging and Logistics. It produces passports, national identity cards, banking cards and tax stamps, alongside commercial printing, education products and distribution services.

The company is expanding its identity business through additional passport and tax-stamp production capacity and international contracts. We expect Identity Solutions to drive most of E7's growth through FY2030, with higher production volumes supporting stronger margins and cash generation.

Price versus fair value



+15.2% to fair value | 10.9% 12m dividend yield

Price: 9 Oct 2026; free float: 31 Aug 2026.
52-week range as at 8 Oct 2026.

Read with the sources and research disclosure on page 14.

01 Why the business is changing

E7 traces its origins to United Printing & Publishing, established in Abu Dhabi in 2006. The business expanded into identity products before becoming a listed company through its combination with ADC Acquisition Corporation in 2023. It now serves government, financial services, education, industrial and consumer markets. [1]

Its five business units share some customers and manufacturing capabilities, but serve different markets. Identity Solutions supplies secure credentials and revenue-protection products; Printing and Education cover commercial and government print work, learning materials and related services. Packaging and Logistics add manufacturing and distribution capabilities across the wider group.

Identity Solutions is becoming increasingly important to E7's earnings. It accounted for approximately 52% of revenue in H1 2025 and 62% in H1 2026, reflecting the strength of secure-document demand and the growing contribution from newer products. [2]

We expect its share of group revenue to reach approximately 63% by FY2030, when we forecast Identity sales of AED 601.8 million. Printing, Education, Packaging and Logistics remain meaningful businesses, but the identity platform is likely to shape E7's growth profile over the next several years. [3]

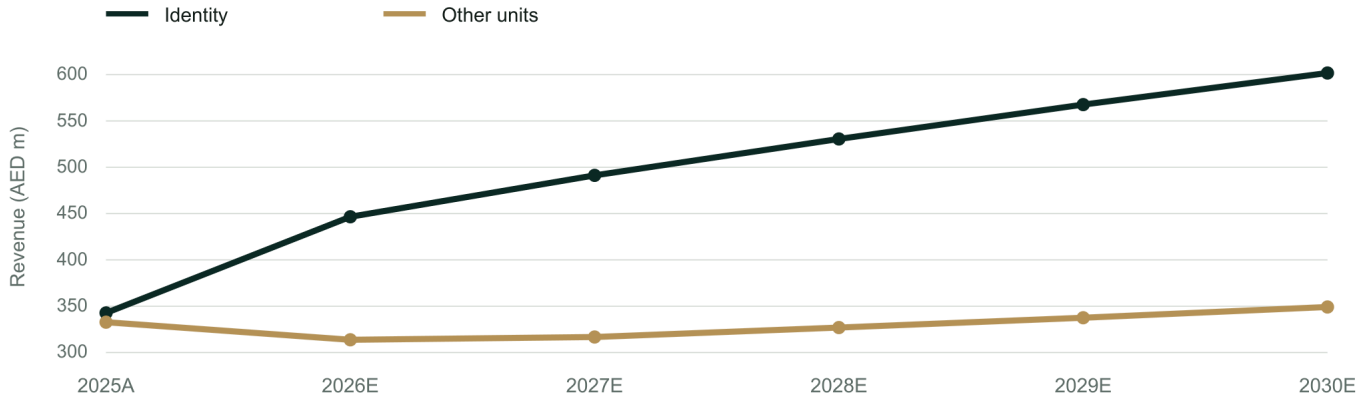


Figure 1. Identity Solutions drives most of our forecast revenue growth. FY2025 actual; FY2026-FY2030 Evermore Research estimates. [1][3]

Identity Solutions

Secure credentials and digital opportunity

E7 supplies national identity cards, passports, banking and transport cards, driving and vehicle credentials, authentication labels and tax stamps. Its capabilities span secure substrates and printing through to personalisation, verification and distribution. [1]

Government identity programmes have demanding security, certification and data-protection requirements. Once a manufacturer is qualified, its production experience and reliability can strengthen customer relationships and support repeat orders. E7's opportunity is to build on those relationships as governments introduce new credentials and expand existing programmes.

E7 is also looking to build on its physical identity capabilities through digital solutions, including biometrics and secure verification. This could provide another avenue for growth as governments adopt more sophisticated credentials and identity systems. [1]

02 Investment in passport and tax-stamp capacity

E7 has invested in expanding its manufacturing capabilities, particularly in passports and tax stamps. In September 2025, the company outlined annual production capabilities of approximately 50 million national ID cards and 25 million banking cards, alongside passport capacity reaching 14 million from Q1 2026 and tax-stamp capacity of six billion from the end of 2025. [5]

Additional passport capacity gives E7 scope to pursue more international contracts and increase volumes from existing customers. Higher throughput could also improve unit economics as production costs are spread across more documents. The pace of new orders and utilisation will determine how quickly that investment translates into stronger earnings.

We forecast AED 446.6 million of Identity Solutions revenue in FY2026, including AED 224.8 million in the second half. That would represent H2 growth of approximately 16.8%, following the division's 47.5% increase in H1. Our forecasts then assume annual growth of 10%, 8%, 7% and 6% through FY2030, as the business expands from a larger revenue base. [2][3]

Tax stamps add a new growth market

Tax stamps provide another opportunity for E7 to use its secure manufacturing capabilities. Governments apply authenticated stamps and digital track-and-trace systems to regulated products to help protect excise revenue and tackle illicit trade. The market combines physical security products with technology and ongoing programme delivery.

E7's September 2025 partnership with 7I Holding, a UAE-based affiliate of SICPA, covers secure printing, market development and joint research. The agreement is expected to support demand for a significant portion of E7's expanded tax-stamp capacity. [5] E7's 2025 integrated report also states that approximately 33 million tax stamps had been delivered following the product launch in October 2025. [1]

Tax stamps could develop into a meaningful second growth stream within Identity Solutions. We expect their contribution to increase as production ramps up and customer programmes expand, supporting our forecast improvement in the group EBITDA margin.

International manufacturing and Rwanda

International markets broaden E7's opportunity beyond its UAE manufacturing base. The group is building relationships with governments seeking secure documents, authentication and revenue-protection products, creating scope to use its experience across multiple national programmes. [1]

Rwanda is an example. E7 established local subsidiaries and signed a framework agreement with the Rwanda Development Board to develop secure printing and manufacturing capabilities. Its 2025 integrated report also highlights a Rwanda tax-stamp agreement, with the country forming part of a broader strategy to serve African markets. [1]

A local manufacturing presence could eventually support regional delivery and new contract opportunities. We expect international Identity sales to grow as E7 develops these programmes, while the timing of Rwanda's proposed facility remains an important operational milestone.

Acquisitions could add to growth

E7 is pursuing acquisitions primarily within Identity Solutions. Its memorandum of understanding with Dalil for a strategic investment in Idenex illustrates plans to add digital identity and systems-integration capabilities. [2]

With AED 400.6 million of cash and bank balances at June 2026, the group has room to pursue deals alongside organic investment. Our forecasts and AED 1.06 fair value exclude acquisition earnings, offering potential upside if transactions are completed on attractive terms. [2][3]

03 Contract visibility and customer concentration

Long-term government programmes support E7's recurring revenue base. In its August 2026 results presentation, management described more than 70% of revenue as recurring and highlighted established customer relationships across its markets. Identity Solutions accounted for approximately 62% of H1 2026 group sales. [2]

Demand for passports, national ID cards and other credentials can continue over many years through new issuance, renewals and programme upgrades. Volumes may fluctuate as governments adjust procurement schedules or launch new documents, but E7's position in these programmes provides a foundation for repeat work.

Customer concentration is the corresponding risk. Large government buyers can influence pricing, production schedules and payment terms. International expansion could broaden the customer base over time, while also exposing E7 to different procurement processes, logistics costs and collection cycles.

The rest of the business

Printing and Education

Printing and Education include commercial and government print work, schoolbooks, examination materials and digital learning products. Together, they provide E7 with a substantial revenue base beyond Identity Solutions. [1][2]

We forecast revenue of AED 210 million in FY2026 and FY2027, compared with AED 220 million in FY2025. Growth then returns gradually, taking the combined business to AED 229.5 million by FY2030. [1][3]

Secure examination work and digital education could provide opportunities alongside conventional print contracts. At the same time, competition and the shift towards digital learning may limit demand for some traditional products.

Packaging and Logistics

Packaging generated AED 37.2 million of revenue in FY2025. We forecast AED 32.8 million in FY2026 after softer first-half trading, followed by a gradual recovery to AED 39.9 million by FY2030. [1][2][3]

Logistics provides fulfilment, distribution and last-mile services through Tawzea. We forecast AED 71.0 million of revenue in FY2026, compared with AED 75.6 million in FY2025, rising to AED 79.9 million by FY2030. E7's relationship with logistics technology provider Shipsy offers scope to improve delivery planning and operating efficiency as volumes recover. [1][3]

These businesses diversify E7's revenue and retain valuable customer relationships, although we expect their combined growth to be modest compared with Identity Solutions.

04 Historical performance and the FY2026 recovery

E7's operating performance has fluctuated as government programmes, the listing transaction and its investment programme have progressed. Revenue and EBITDA provide a clearer view of the underlying business than headline profit in periods affected by large non-operating items. [1]

Revenue reached AED 701.2 million in FY2024 before declining 3.6% to AED 675.6 million in FY2025. EBITDA fell 19.4% from AED 190.6 million to AED 153.6 million, reducing the margin from 27.2% to 22.7%. Consolidated FY2025 net profit was AED 104.2 million, while profit attributable to shareholders was AED 104.6 million. [1]

Against that lower base, we see scope for margins to recover as Identity volumes grow and recently expanded production capacity is used more extensively.

The recovery began in H1 2026. Group revenue increased 22.8% to AED 358.2 million, with EBITDA up 51.9% to AED 79.0 million. Identity Solutions contributed AED 221.8 million of sales; Printing and Education generated AED 88.5 million, Packaging AED 15.8 million and Logistics AED 32.1 million. [2]

Growth moderated in the second quarter, when group revenue increased 6.2% and EBITDA rose 10.7% year on year. The comparison suggests that the first-half result benefited from a particularly strong opening quarter, with contract timing likely to influence the remainder of FY2026. [2]

H1 performance	H1 2025A	H1 2026A	Change
Revenue, AED m	291.6	358.2	+22.8%
Identity revenue, AED m	150.4	221.8	+47.5%
EBITDA, AED m	52.0	79.0	+51.9%
EBITDA margin	17.8%	22.0%	+4.2 ppt
Net profit, AED m	30.6	61.0	+99.5%
Operating cash flow, AED m	(55.2)	(9.9)	Improved, still negative

Source: E7 Group Q2 2026 earnings presentation, reported figures rounded as presented by the company. [2]

What our FY2026 forecast requires

Our FY2026 forecast calls for AED 760.4 million of revenue and AED 170.3 million of EBITDA. After H1, that requires AED 402.2 million of revenue and AED 91.3 million of EBITDA in H2. The implied H2 EBITDA margin is 22.7%, versus 22.0% in H1 and 22.6% in Q2. [2][3]

We expect higher Identity revenue and utilisation to be largely offset by elevated freight and supply-chain costs, keeping H2 margins broadly stable. Contract phasing, input costs and capacity commissioning remain key variables. [2][3]

FY2026 bridge, AED m	H1 actual	H2 implied	FY2026E
Revenue	358.2	402.2	760.4
EBITDA	79.0	91.3	170.3
EBITDA margin	22.0%	22.7%	22.4%
EBIT	58.6	68.1	126.7
Consolidated net profit	61.0	69.8	130.8

Source: E7 Group H1 2026 results; Evermore Research estimates. [2][3]

05 Earnings outlook

Identity Solutions drives the bulk of our forecast growth. We expect revenue to rise from AED 446.6 million in FY2026 to AED 491.3 million in FY2027, AED 530.6 million in FY2028, AED 567.7 million in FY2029 and AED 601.8 million in FY2030. [3]

Group revenue increases from AED 760.4 million in FY2026 to AED 951.0 million by FY2030, with EBITDA rising from AED 170.3 million to AED 237.8 million. We forecast EBITDA margin of 22.4% in FY2026 and 22.8% in FY2027 as elevated freight and supply-chain costs limit near-term operating leverage, before recovery to 25.0% by FY2030 as those pressures ease and Identity mix and new capacity support higher margins. [2][3]

Depreciation rises as the expanded manufacturing assets enter service. We forecast D&A increasing from AED 43.6 million in FY2026 to approximately AED 58.0 million in FY2030. Net finance income also changes as deposits are used to fund dividends and investment. These factors moderate net-profit growth relative to EBITDA in FY2027 and FY2028. [3]

AED m	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Identity revenue	446.6	491.3	530.6	567.7	601.8
Printing & Education	210.0	210.0	216.3	222.8	229.5
Packaging	32.8	34.4	36.2	38.0	39.9
Logistics	71.0	72.4	74.6	76.8	79.9
Group revenue	760.4	808.1	857.6	905.3	951.0
EBITDA	170.3	184.3	202.4	220.9	237.8
EBITDA margin	22.4%	22.8%	23.6%	24.4%	25.0%
EBIT	126.7	131.7	144.9	163.0	179.7
Consolidated NPAT	130.8	140.7	148.3	166.2	183.6

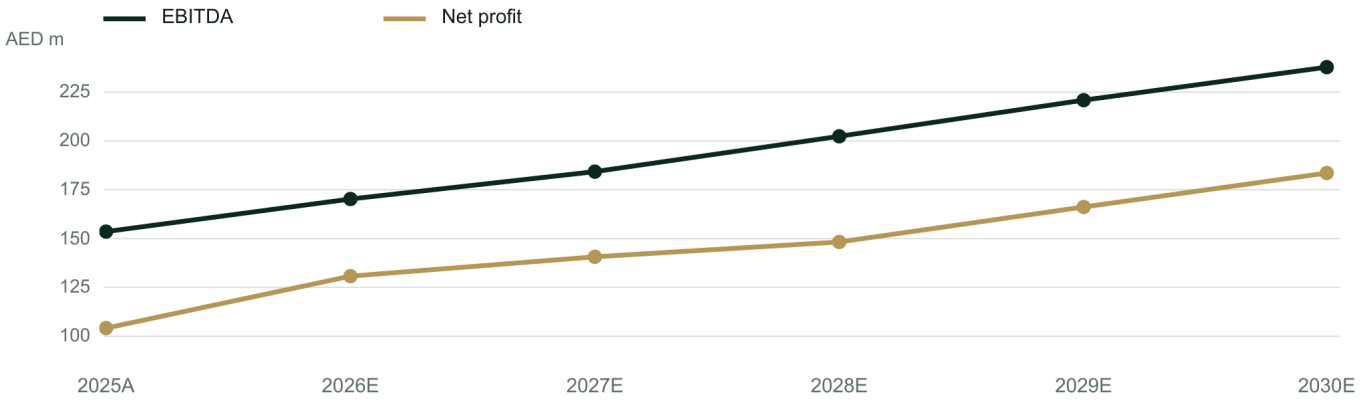


Figure 2. Forecast EBITDA and net profit growth. FY2025 actual; FY2026-FY2030 Evermore Research estimates. [1][3]

06 Cash generation and capital investment

E7's earnings recovery has yet to translate fully into cash. Operating cash flow was negative AED 9.9 million in H1 2026, despite consolidated net profit of approximately AED 61.0 million. [2]

The half included AED 42.4 million of cash outflow from trade and other receivables and an AED 41.4 million reduction in deferred revenue. E7 also spent approximately AED 64.9 million on property, plant, equipment and intangibles. Customer collections and the timing of contract advances will therefore be important to cash generation in the second half. [2]

We forecast FY2026 operating cash flow of AED 150.7 million. That implies AED 160.6 million in H2, including an AED 74.4 million working-capital inflow as part of the first-half cash absorption reverses. [3]

Operating cash flow rises to AED 172.2 million in FY2027 and AED 188.8 million in FY2028. After AED 90 million of annual cash capex, free cash flow reaches approximately AED 82.2 million and AED 98.8 million, respectively. [3]

Including deposit interest received, we forecast FY2027 free cash flow of AED 106.6 million and FY2028 free cash flow of AED 118.4 million. E7 classifies those interest receipts as investing cash flow. [2][3]

AED m	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Operating cash flow	150.7	172.2	188.8	205.6	220.4
Cash capex	(100.0)	(90.0)	(90.0)	(85.0)	(80.0)
Free cash flow	50.7	82.2	98.8	120.6	140.4
Deposit interest received	22.9	24.4	19.6	21.3	23.7
FCF including interest	73.6	106.6	118.4	141.9	164.1
Dividend per share (fils)	10	10	3.64	4.08	4.51

Source: E7 Group H1 2026 cash-flow statement; Evermore Research estimates. [2][3]

Capital expenditure and free cash flow

We forecast cash capital expenditure of AED 100 million in FY2026, AED 90 million in each of FY2027 and FY2028, AED 85 million in FY2029 and AED 80 million in FY2030. The decline reflects an expected transition from major capacity expansion towards a more mature production base. [3]

If annual capex were AED 20 million higher from FY2027 and remained elevated beyond FY2030, our 1 October DCF would fall from AED 1.085 to approximately AED 0.95 per share. [3]

07 Returns on the expanded capital base

E7's growth programme has increased its manufacturing asset base, and the next stage is to earn more from that investment. We forecast operating return on invested capital (ROIC) of 19.3% in FY2027, rising to 21.9% by FY2030. Over that period, operating profit after tax increases from AED 119.9 million to AED 163.6 million, while average operating invested capital rises from AED 621.1 million to AED 746.7 million. [3]

Operating return measure	FY2025A	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
EBIT, AED m	113.7	126.7	131.7	144.9	163.0	179.7
NOPAT, AED m	103.4	115.5	119.9	131.9	148.3	163.6
Avg. operating capital, AED m	544.7	558.5	621.1	668.1	710.0	746.7
Operating ROIC	19.0%	20.7%	19.3%	19.7%	20.9%	21.9%

Source: Evermore Research estimates of operating ROIC, excluding surplus bank deposits. [3]

The improving return profile reflects revenue and margins growing faster than the capital needed to support them. Utilisation of the new passport and tax-stamp lines, together with the ongoing cost of maintaining those assets, will be important indicators of E7's progress.

Balance sheet and shareholder returns

E7 held AED 400.6 million of cash and bank balances at 30 June 2026, after paying an AED 203.6 million dividend during the half. Cash and cash equivalents accounted for AED 143.4 million, with longer-dated bank deposits making up much of the remainder. The group had no conventional outstanding borrowings, although it retained lease and warrant liabilities. [2]

The balance sheet provides funding flexibility as new production programmes develop. Our 1 October equity bridge uses modelled cash and deposits of AED 466.0 million, less AED 47.9 million of required operating cash. These estimates time-weight existing H2 forecasts, rather than reported Q3 results. [3]

We assume a 4.6% annual yield on forecast interest-earning bank balances. Net finance income falls in FY2028 before gradually recovering as cash balances rebuild. [3]

E7 has committed to a minimum dividend of 10 fils per share for FY2025-FY2027. At the current outstanding share count, that represents approximately AED 203.6 million annually. The payout exceeds our FY2027 consolidated net-profit forecast of AED 140.7 million and projected free cash flow of AED 106.6 million including deposit interest. [1][2][3]

E7's cash reserves provide capacity to support the commitment. From FY2028, we model dividends at 50% of forecast consolidated net profit, implying approximately 3.64 fils per share in FY2028, 4.08 fils in FY2029 and 4.51 fils in FY2030. The FY2028 payout of approximately AED 74.2 million is covered by our AED 118.4 million free cash flow forecast including deposit interest. [3]

Future dividend capacity will depend on the balance between new capital investment, customer collections and the cash produced by the expanding Identity business.

08 Valuation

We value E7 at AED 1.06 per share using three methods: discounted cash flow (50%), growth-adjusted EV/EBITDA (30%) and forward P/E (20%). DCF carries the largest weighting because the returns from E7's recent manufacturing investment should develop over several years.

The relative methods provide additional perspectives on that outlook, comparing E7's operating earnings with listed peers and its net profit with the value of its equity.

Discounted cash flow

Our DCF is valued at 1 October 2026. We allocate half of H2 cash flows to Q3 and roll the cash bridge forward. Only the remaining October-December FCFF and FY2027-FY2030 cash flows are discounted, over 0.25-4.25 years. Q3 movements are modelled, not reported. [3]

We use a 9% WACC, informed by Damodaran's industry-beta and July 2026 risk-premium data. Our revenue-weighted sector proxies indicate an operating beta of approximately 0.74; we adopt 0.90 to reflect E7's manufacturing investment, customer concentration and international exposure. Using a 4.48% US 10-year Treasury yield (1 July 2026), a 4.20% mature-market equity risk premium and a 0.61% Abu Dhabi risk premium, our 0.90 beta implies an indicative 8.87% cost of equity. E7's limited conventional debt and uncertainty over longer-term US dollar interest rates support our 9% WACC. Perpetual growth is 2.5%. [3][7]

We estimate AED 369.0 million of present value from remaining forecast cash flows through FY2030. The terminal value contributes a further AED 1.427 billion, producing enterprise value of AED 1.796 billion. [3]

Cash and deposits rise by AED 65.4 million to AED 466.0 million under the Q3 cash-flow roll-forward. Less AED 47.9 million of operating cash, plus AED 4.0 million of interest receivable, less AED 7.1 million of leases and AED 2.0 million of warrants gives an AED 413.1 million equity bridge. Equity value is AED 2.209 billion, or AED 1.085 per share. [3]

Approximately 79% of DCF enterprise value comes from cash flows beyond FY2030, making the result sensitive to long-term returns. Increasing WACC to 10% reduces value to AED 0.964 per share; lowering terminal growth to 2.0% at 9% WACC produces AED 1.032. [3]

DCF component	AED m
PV of explicit FCFF, Oct 2026-2030	369.0
PV of terminal FCFF	1,426.8
Enterprise value	1,795.8
Net excess assets less liabilities	413.1
Equity value	2,208.9
Shares (m)	2,036.0
Value per share	AED 1.085

Source: Evermore Research DCF, valued at 1 October 2026; Q3 cash movements are modelled. [3]

WACC	g = 2.0%	g = 2.5%	g = 3.0%
8.0%	1.174	1.250	1.340
9.0%	1.032	1.085	1.147
10.0%	0.925	0.964	1.009
11.0%	0.842	0.872	0.906

DCF value per share (AED); other assumptions held constant. [3]

09 Growth-adjusted EV/EBITDA

E7 has no exact listed equivalent, so we use a group of businesses with exposure to secure documents, authentication, cards and government digital security: Orell Füssli, Crane NXT, ANY Security Printing, CCL Industries and secunet Security Networks.

Our September 2026 trading screen gives indicative FY2027 EV/EBITDA multiples of 4.44x, 7.50x, 7.76x, 9.89x and 14.09x, respectively, producing a median of 7.76x. [4]

The comparison draws on a mix of security printing, authentication and digital-security companies, each with different earnings characteristics. We therefore give this method a smaller weighting than DCF and show the effect of different multiples below.

Our FY2027 and FY2028 EBITDA growth forecasts of 8.2% and 9.8% exceed the peer medians of 6.5% and 6.2% by 1.7 and 3.6 percentage points. Identity Solutions rises from 50.7% of FY2025 revenue to 60.8% in FY2027, while E7 describes more than 70% of group revenue as recurring. That combination of above-median growth and repeat government demand supports our 20% premium. The uplift remains an analyst judgement, tempered by customer concentration, capital intensity and cash conversion. [1][2][3][4]

Applying a rounded 9.31x FY2027 EBITDA of AED 184.3 million gives enterprise value of approximately AED 1.715 billion. With the same 1 October net equity adjustment of AED 413.1 million, equity value is AED 2.128 billion, or AED 1.045 per share. [3][4]

Primary peer	FY2027E EV/EBITDA*	Principal overlap
Orell Füssli	4.44x	Secure documents and currency
Crane NXT	7.50x	Authentication and secure government products
ANY Security Printing	7.76x	Passports, cards and tax stamps
CCL Industries	9.89x	Secure substrates and authentication
secunet Security Networks	14.09x	Digital government security
Median	7.76x	Five-company screening median

**September 2026 indicative vendor-based EV/EBITDA screen. Peer inputs are not all measured on a common market date; ANY combines differently dated enterprise-value and earnings observations. [4]*

Premium to peer median	Applied EV/EBITDA	E7 value per share
0%	7.76x	AED 0.91
10%	8.54x	AED 0.98
15%	8.92x	AED 1.01
20%	9.31x	AED 1.05
25%	9.70x	AED 1.08
30%	10.09x	AED 1.12

Scenario values use FY2027 forecast EBITDA, the modelled 1 October equity bridge and 2.036 billion ordinary shares. [3][4]

10 Forward P/E

We forecast FY2027 consolidated net profit of AED 140.7 million, equivalent to approximately 6.91 fils per ordinary share before any adjustment for non-controlling interests or dilution. Applying a 15x P/E gives AED 1.036 per share. [3]

The multiple reflects the increased contribution from Identity Solutions and recurring government demand. We forecast consolidated net-profit growth of 25.6% in FY2026, 7.5% in FY2027 and 5.4% in FY2028, followed by 12.1% in FY2029 and 10.5% in FY2030 as operating earnings and finance income recover. [3]

At AED 1.06 per share, a 10-fils dividend implies a 9.4% yield and FY2027 P/E of approximately 15.34x. Using FY2027 earnings growth gives a PEGY ratio of 0.91x. Cash reserves partly support the dividend, as forecast free cash flow is below the annual commitment. [1][2][3]

Profit attributable to E7 shareholders differs slightly from consolidated profit because of non-controlling interests in its Rwanda subsidiaries. Our P/E calculation uses consolidated profit as a proxy; the final attributable and diluted earnings figure may differ. [3][6]

Our FY2027 profit forecast includes AED 22.8 million of net finance income. The P/E calculation therefore captures the earnings contribution of bank deposits, while the enterprise-value methods add surplus cash separately. [3]

Forward P/E scenario	Fair value per share
14x FY2027 EPS	AED 0.967
15x FY2027 EPS	AED 1.036
16x FY2027 EPS	AED 1.105
15x with net profit 10% lower	AED 0.933

Source: Evermore Research forecasts; P/E uses consolidated profit per ordinary share. [3]

Blended value and sensitivities

The three methods produce a blended value of AED 1.063341 per share, rounded to AED 1.06. DCF accounts for half the valuation, with EV/EBITDA and P/E providing trading and earnings comparisons. [3]

The sensitivity table shows how changes in discount rates, long-term growth, trading multiples and earnings affect the blended figure. [3]

Method	Value / share	Weight	Weighted contribution
DCF	AED 1.084919	50%	AED 0.542460
Growth-adjusted EV/EBITDA	AED 1.045418	30%	AED 0.313625
Forward P/E	AED 1.036282	20%	AED 0.207256
Blended	AED 1.063341	100%	AED 1.063341

Isolated sensitivity	Blended value / share
Base case	AED 1.063
DCF WACC increases to 10%	AED 1.003
DCF terminal growth falls to 2.0%	AED 1.037
Remove EV/EBITDA growth premium	AED 1.021
Peer median falls to 7.0x; retain 20% premium	AED 1.039
P/E multiple declines to 14x	AED 1.050

Sensitivity scenarios change one input at a time. [3]

11 What we will be watching

The next results should provide a clearer picture of how the Identity expansion is progressing. Passport and tax-stamp volumes, the start-up of new capacity and international deliveries will show how quickly the manufacturing investment is translating into sales.

We will also watch operating margins and cash conversion. The first-half working-capital outflow makes collections and advance payments particularly important, while maintenance capital expenditure will influence the longer-term returns from the new facilities.

Progress in Rwanda and any definitive transaction involving Dalil and Idenex could broaden E7's opportunity. We will assess developments alongside the core business rather than allow prospective projects to obscure the performance of existing contracts.

Our forecasts could be affected by tender delays, changes in government procurement schedules, pricing pressure or higher production and freight costs. Slower utilisation would reduce the return on expanded production capacity, while prolonged collection cycles would weaken free cash flow.

Customer concentration creates contract-renewal and payment risks. The gradual adoption of digital credentials could also change demand for physical documents, making E7's ability to expand into digital identity increasingly relevant. Security and quality-control requirements remain particularly important given the nature of its products.

Our valuation is also exposed to the level of cash E7 ultimately generates. With approximately four fifths of DCF enterprise value arising after FY2030, long-term margins and reinvestment are central to the result.

These are the areas we expect to revisit following the next financial update and our planned management discussions.

Key investment risks

Risk	Potential financial impact	What we would monitor
Identity programme phasing	Lower revenue, utilisation and operating leverage	Contract awards and actual Identity sales
Customer concentration	Renewal price, payment or volume pressure	Programme extensions, receivables
Capital spending	Lower FCFF and terminal value	Growth vs maintenance capex
Working capital	Weaker earnings-to-cash conversion	Receivables and deferred revenue
Freight and input costs	Pressure on gross/EBITDA margins	Margin trend and management commentary
Rwanda execution	Delayed revenue and local-production benefits	Facility completion and deliveries
Physical-to-digital shift	Changed product mix and volume	Credential volumes, monetised digital services
Valuation inputs	Lower DCF or peer-based value	WACC, growth, comparable multiples

12 Conclusion

E7's Identity Solutions business is increasingly shaping the group's outlook. It drove first-half revenue growth, while investment in passports and tax stamps has expanded the company's ability to pursue further government programmes. We expect Identity to provide almost all the group's incremental revenue through FY2030. [1][2][3]

The next stage is to convert that growth into earnings and cash. We forecast EBITDA rising from AED 153.6 million in FY2025 to AED 237.8 million by FY2030, with operating ROIC increasing from 19.3% in FY2027 to 21.9% by FY2030. [3]

Our blended fair value is AED 1.06 per share. From AED 0.920, this implies 15.2% capital upside; including the expected 10 fils dividend over the next 12 months, we estimate a 26.1% 12-month total shareholder return, supporting our Buy rating. The investment case depends on higher utilisation of the expanded manufacturing base, sustained demand for secure identity products and improving cash generation as capital expenditure moderates. [1][2][3]

Financial and valuation appendix

Reported FY2025 figures and Evermore Research forecasts for FY2026-FY2030 are summarised below. [1][3]

AED m except per-share	FY2025A	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Revenue	675.6	760.4	808.1	857.6	905.3	951.0
EBITDA	153.6	170.3	184.3	202.4	220.9	237.8
D&A (FY2025 implied)*	39.9	43.6	52.5	57.5	57.9	58.0
EBIT	113.7	126.7	131.7	144.9	163.0	179.7
Net finance income	0.9	16.8	22.8	18.0	19.7	22.1
Pretax profit	114.6	143.5	154.6	163.0	182.7	201.8
Net profit	104.2	130.8	140.7	148.3	166.2	183.6
Operating cash flow	231.9	150.7	172.2	188.8	205.6	220.4
Cash capex	78.7	100.0	90.0	90.0	85.0	80.0
FCF ex deposit interest	153.2	50.7	82.2	98.8	120.6	140.4

**FY2025 implied D&A is management-reported EBITDA less statutory EBIT (AED 39.9 million). Reported depreciation and amortisation was AED 40.6 million. Forecast D&A is shown for FY2026-FY2030. [1][3]*

13 Sources and research disclosure

[1] E7 Group, Integrated Report 2025, including business review and audited financial statements. Company reports.

[2] E7 Group, Q2 2026 Earnings Presentation, 11 August 2026. Company reports.

[3] Evermore Research, E7 integrated forecasts through FY2030 and DCF rolled forward to 1 October 2026 using time-weighted H2 cash flows and modelled net assets.

[4] Evermore Research, September 2026 indicative public-market peer screen for security printing, authentication and digital security.

[5] E7 Group / SICPA, "e7 Group Enters Strategic Partnership with 7I Holding", 24 September 2025. SICPA announcement.

[6] E7 Group, condensed consolidated interim financial statements, six months ended 30 June 2026. Company reports.

[7] Damodaran, Jan 2026 US industry betas and Jul 2026 market/country premia; US Treasury, 1 Jul 2026 10-year yield.

Research disclosure: E7 Group has provided management access in connection with this coverage. No issuer research fee has been paid for the note.

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Figures are rounded for presentation. Growth rates and valuations use unrounded model inputs where available; historical percentage changes follow company-reported data. Displayed totals may therefore differ slightly from the sum of rounded components.

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Buy: expected 12-month TSR of 15% or more. Hold: more than -10% but less than 15%. Sell: -10% or less.

TSR combines the change to our 12-month fair value with dividends expected to be paid over the next 12 months.