

# Reway Group

Sector: Infrastructure maintenance and reparation



## Analysts

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## Buoyant orders' intake momentum

Reway Group (RWY) is a leading Italian company active in viaduct, tunnel and bridges rehabilitation, installation of safety and sound-absorbing barriers, seismic upgrading, and various other activities related to extraordinary maintenance of highways / roads / railways.

### Business Development: Strong Order Intake 4Q24-1Q25

RWY maintains strong order intake momentum. From our latest update (October '24) RWY announced > €302mn intakes, with the most recent €208mn being secured in February: 1) €111mn for Milan's Bovisa Railway Node upgrade; 2) €97mn for extraordinary tunnel maintenance on Ancona Palermo and Rome rail lines. As a result, we estimate the current Net Backlog between €1.1-1.2bn (~5.0x VoP FY25E), and broadly in line with our FY24E backlog projections. Management emphasizes that 2024 was an exceptional growth year, and similar performance is unlikely in 2025 as the backlog fully covers the year's activity, now shifting focus to execution.

### Corporate Development: Reorganization, M&A attitude

On the Corporate development side, we highlight the following:

**#1 Group Reorganization.** In February 2025, RWY merged the subsidiaries Soteco and TLS into MGA to streamline administration and tender office functions optimizes amid rising intercompany projects;

**#2 M&A.** Following two deals in 2024 (Gema, Vega), RWY remains committed in further M&A, with several potential targets spanning railway, electrification, signalling, and other types of vertical integration.

### '24E EBITDA in line, NFP a bit higher but positive in the m/t

Pending the full set of results, we're fine tuning our estimates to account for urgent 4Q24 works related to the Jubilee in Rome. While this boosted top line, higher outsourcing level allow us to broadly confirm our prior margins estimates, while Net Debt was impacted by higher NWC absorption related to growth. For 2025E-2026E, we just apply a minor upward revision to reflect the positive newsflow. Our current forecasts are: 1) Top line at €271mn in 2026E, (27% CAGR<sub>23A-26E</sub>); 2) EBITDA-EBITA margin at ca. 21.6%-19.8% in FY25E, i.e. €52mn-€48mn EBITDA-EBITA respectively; 3) Net Debt 2024 Year-End at ca. €58.1mn, factoring strong M&A cash out.

### Fair value raised to €7.50 per share (from €7.00)

We raise fair value to **€7.5 per share**, as average of DCF (€7.66 p.s., reflecting improved visibility/outlook) and Peers' analysis (€7.34 p.s., due to peers re-rating). At fair value, RWY would trade at 6.3x EV/EBITDA, 6.9x EV/EBITA, 10.0x Adj. P/E 2025E respectively.

**Fair Value (€)** **7.50**

**Market Price (€)(\*)** **6.60**

**Market Cap.** **256.1**

| KEY FINANCIALS (€mn) | 2023A | 2024E | 2025E |
|----------------------|-------|-------|-------|
| VALUE OF PRODUCTION  | 132.3 | 230.0 | 240.5 |
| EBITDA               | 26.4  | 42.5  | 52.0  |
| EBITA                | 23.9  | 38.5  | 47.6  |
| NET PROFIT           | 13.9  | 18.4  | 24.7  |
| NET INV. CAP.        | 124.1 | 147.8 | 151.0 |
| EQUITY               | 89.5  | 89.8  | 114.7 |
| NET FIN. POS.        | -34.6 | -58.1 | -36.3 |
| EPS ADJ. (€)         | 0.41  | 0.59  | 0.75  |

Source: Reway Group (historical figures)  
Value Track (2024-25E estimates)

| KEY RATIOS (*)        | 2023A  | 2024E    | 2025E |
|-----------------------|--------|----------|-------|
| EBITDA MARGIN (%)     | 20.0   | 18.5     | 21.6  |
| EBITA MARGIN (%)      | 18.1   | 16.7     | 19.8  |
| NET DEBT / EBITDA (x) | 1.3    | 1.4      | 0.7   |
| NET DEBT / EQUITY (x) | 0.4    | 0.6      | 0.3   |
| EV/SALES (x)          | 1.2(*) | 1.4(**)  | 1.2   |
| EV/EBITDA (x)         | 5.6(*) | 7.2(**)  | 5.6   |
| EV/EBITA (x)          | 6.8(*) | 9.0(**)  | 6.9   |
| P/E ADJ. (x)          | 6.8(*) | 11.1(**) | 8.8   |

Source: Reway Group (historical figures) Value Track (2024E-25E estimates), (\*) 12 months Gema, (\*\*) 12 months Vega

| STOCK DATA (*)        |                 |
|-----------------------|-----------------|
| MARKET PRICE (€)      | 6.60            |
| SHS. OUT. (m)         | 38.8            |
| MARKET CAP. (€m)      | 256.1           |
| ENTERPRISE VALUE (€m) | 314.2           |
| FREE FLOAT (%)        | 13.1            |
| AVG. -20D VOL. ('000) | 8,471           |
| RIC / BBG             | RWY.MI / RWY.IM |
| 52 WK RANGE           | 4.65-7.18       |

Source: Stock Market Data

(\*) Stock Market Price as of March 5<sup>th</sup> 2025



## Business Description

Reway Group (RWY) is a leading Italian company active in: 1) Viaduct and tunnel rehabilitation; 2) Installation of safety and sound-absorbing barriers; 3) Seismic upgrading of viaducts; 4) Various other activities related to extraordinary maintenance of highways / roads / railways.

RWY is one of the few Italian players covering all stages of the restoration chain and offering a “One stop shop” service, highly valued from clients who only have to deal with a single counterpart.

## Key Financials

| €mn                        | 2023A (*)    | 2024E        | 2025E        | 2026E        |
|----------------------------|--------------|--------------|--------------|--------------|
| <b>Value of Production</b> | <b>132.3</b> | <b>230.0</b> | <b>240.5</b> | <b>270.9</b> |
| Chg. % YoY                 | 43.6%        | 73.9%        | 4.6%         | 12.6%        |
| <b>EBITDA</b>              | <b>26.4</b>  | <b>42.5</b>  | <b>52.0</b>  | <b>57.8</b>  |
| EBITDA Margin (%)          | 20.0%        | 18.5%        | 21.6%        | 21.3%        |
| <b>EBIT</b>                | <b>22.2</b>  | <b>32.3</b>  | <b>41.1</b>  | <b>45.7</b>  |
| EBIT Margin (%)            | 16.8%        | 14.0%        | 17.1%        | 16.9%        |
| <b>Net Profit</b>          | <b>13.9</b>  | <b>18.4</b>  | <b>24.7</b>  | <b>28.3</b>  |
| Chg. % YoY                 | 65.8%        | 31.9%        | 34.0%        | 14.8%        |
| <b>Adjusted Net Profit</b> | <b>15.7</b>  | <b>22.7</b>  | <b>29.2</b>  | <b>32.8</b>  |
| Chg. % YoY                 | 51.2%        | 45.1%        | 28.4%        | 12.5%        |
| <b>Net Fin. Position</b>   | <b>-34.6</b> | <b>-58.1</b> | <b>-36.3</b> | <b>-20.5</b> |
| Net Fin. Pos. / EBITDA (x) | 1.3          | 1.4          | 0.7          | 0.4          |
| Capex                      | -6.0         | -5.8         | -11.1        | -8.1         |
| <b>OpFCF b.t.</b>          | <b>-10.4</b> | <b>19.8</b>  | <b>37.9</b>  | <b>32.9</b>  |
| OpFCF b.t. as % of EBITDA  | nm           | 46.7%        | 72.9%        | 57.0%        |

Source: Value Track SpA (historical figures), Value Track (estimates)

## Investment case

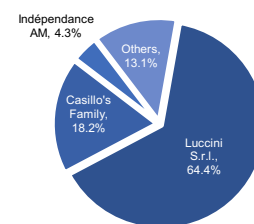
### Strengths / Opportunities

- ◆ High visibility of future business resulting from the combination of market growth rate and works assignment defined on good notice;
- ◆ Strongly cash generative business model with low capital requirements;
- ◆ Italian road infrastructure benefitting from multi-year investment plans.

### Weaknesses / Risks

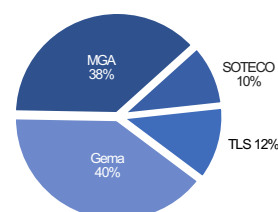
- ◆ Revenue concentration on a few clients;
- ◆ Limited operating leverage due to the high incidence of costs that are proportional to VoP.

## Shareholders Structure



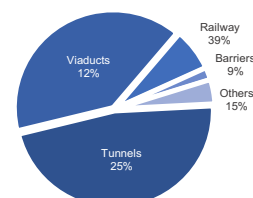
Source: Reway Group

## 1H24 Revenues by subsidiary



Source: Reway Group

## Current Backlog by Segment



Source: Reway Group, (\*) As of 27 Feb 2025

## Stock multiples @ €7.50 Fair Value

|                   | 2024PFE | 2025E |
|-------------------|---------|-------|
| EV / SALES (x)    | 1.5     | 1.4   |
| EV / EBITDA (x)   | 8.0     | 6.3   |
| EV / EBITA (x)    | 9.0     | 6.9   |
| EV / CAP.EMP. (x) | 2.4     | 2.2   |
| OpFCF Yield (%)   | 12.5    | 11.6  |
| P / E Adj. (x)    | 12.7    | 10.0  |
| P / BV (x)        | 3.2     | 2.5   |
| Div. Yield. (%)   | 0.0     | 0.0   |

Source: Value Track

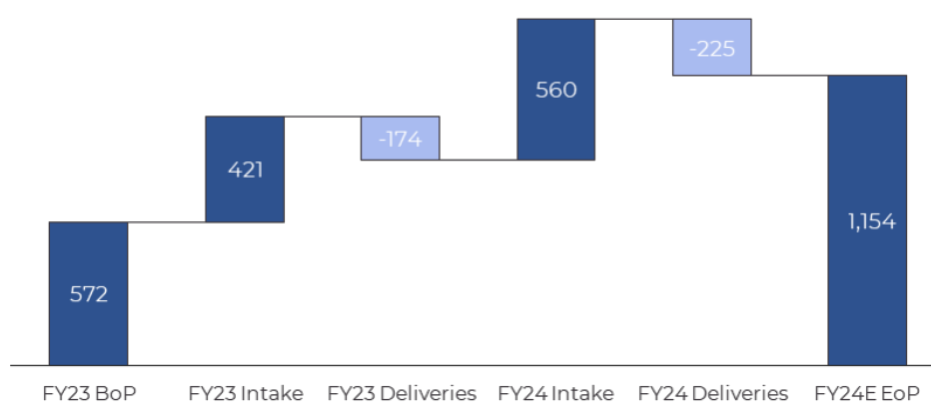
## Corporate & Business Development

In FY2024, RWY demonstrated impressive momentum across both strategic initiatives and operational performance. We feel recent news flow and FY24E results should further solidify our optimism, as key developments continue to drive progress on both the corporate and business fronts.

### #1 Business Development - Order intake still strong, Railway stands out

RWY continues to expand its order portfolio. According to its latest disclosure, the backlog stood at €1,338mn (gross, excluding the 4Q24-1Q25 invoiced portion), and we estimate that the **Net Backlog at the end of FY24 could exceed €1,154mn.**

Reway Group: Backlog evolution FY23-FY24E



Source: Reway Group, Value Track Analysis

This strong performance is further underscored by robust order intake figures:

- ◆ In **FY24E**, order intake is expected to have exceeded €500mn, above previous €406mn estimate;
- ◆ In **FY25E**, order intake has already surpassed €208mn, representing 50% of our FY25E estimate.
- ◆ **Since its IPO**, RWY has secured key contracts totaling €820mn.

Notably, the railway business continues to perform exceptionally well, potentially exceeding initial expectations when the company first entered the sector. Since January 2024, RWY has secured over **€420mn in new railway contracts**, supported by strengthened relationships with key operators such as RFI. In the course of 2024, **RFI** invested €10bn in enhancing its infrastructure – ca. 30% of which was devoted to network maintenance – and awarded RWY orders amounting to **€270mn**, i.e. ca. 60% of FY24E order intake. Furthermore, the recent contract with **Ferrovienord** marks RWY's first entry into Milan, potentially paving the way for further opportunities.

As such key factor for RWY will be monitoring the timely approval of investments budgets from major operators such as ANAS, RFI, and Autostrade per l'Italia, as these will be instrumental in driving the pace and scale of upcoming projects.

**Reway Group: Main Orders acquired since IPO (March 2023)**

| Date             | Contract Value (€mn) | Subsidiary | Client        | Type                                    |
|------------------|----------------------|------------|---------------|-----------------------------------------|
| Apr 2023         | 123                  | TLS        | ASPI          | Rehabilitation of viaducts/tunnels      |
| Dec 2023         | 35                   | SOTECO     | Steelconcrete | Installation of barriers                |
| <b>Tot. 2023</b> | <b>158</b>           |            |               |                                         |
| Jan 2024         | 62                   | MGA        | ANAS          | Design and construction                 |
| Feb 2024         | 33                   | MGA        | Webuild       | Highway restoration                     |
| Mar 2024         | 84                   | GEMA       | RFI           | Ordinary / extraordinary maintenance    |
| Jun 2024         | 48                   | GEMA       | RFI           | Extraordinary maintenance               |
| Sep 2024         | 42                   | GEMA       | RFI           | Construction                            |
| Sep 2024         | 54                   | MGA        | ANAS          | Rehabilitation of tunnels               |
| Sep 2024         | 36                   | MGA        | ANAS          | Rehabilitation of viaducts              |
| Nov 2024         | 39                   | GEMA       | RFI           | Extraordinary maintenance               |
| Nov 2024         | 56                   | GEMA       | RFI           | Acoustic mitigation / extr. maintenance |
| <b>Tot. 2024</b> | <b>454</b>           |            |               |                                         |
| Feb 2025         | 111                  | TLS        | Ferrovienord  | Railway node renewal                    |
| Feb 2025         | 97                   | GEMA       | RFI           | Rehabilitation of railway tunnels       |
| <b>Tot. 2025</b> | <b>208</b>           |            |               |                                         |
| <b>Since IPO</b> | <b>820</b>           |            |               |                                         |

Source: Reway Group, Value Track Analysis

## #2 Corporate development – Group finalized a reorganization, further M&A in Pipeline

### Group Reorganization

In February 2025, the **merger by incorporation** of the subsidiaries Soteco S.r.l. and TLS S.r.l. into M.G.A. S.r.l. was finalized. This transaction is expected to enhance Reway Group's operational efficiency by streamlining management and administrative processes in its modernization initiatives. At the time of IPO, maintaining separate entities and distinct points of contact was essential for preserving brand identity - each brand was well recognized in its respective niche - and unifying them under the Reway Group umbrella was deemed premature and potentially counterproductive. However, conditions have now matured to support the consolidation of all companies involved in road works under one banner, especially given the increased volume of intercompany projects, which has amplified the workload for the tender office. This reorganization will simplify the management and administrative efforts, leveraging the already synergistic operations of the three subsidiaries.

### M&A Pipeline

In 2024, Reway completed two transactions: the buyout of Gema's 30% minority stake (€27.2mn) in March and the acquisition of 60% of Vega Engineering (€3.6mn) in September, for a total value of €30.8mn. The Company remains highly inclined toward further acquisitions and currently has a robust **pipeline several potential M&A targets**. These targets span multiple strategic areas, including deepening integration within the railway sector, enhancing capabilities in electrification and signalling systems, and pursuing vertical integration opportunities that would provide access to key clients - particularly in sectors such as utilities that are not presently within its portfolio.

## 2024E-26E Estimates

### FY24E: Top line up materially, Margins confirmed, higher Net Debt

Pending the approval of the full set of results, we are revising our **FY24** revenue estimates to account for urgent works executed in 4Q24 related to the Jubilee in Rome. These projects have led to a material increase in FY24E top-line compared to expectations, while our EBITDA forecast remains unchanged, given the high level of outsourced activities required to meet tight deadlines. As such, we maintain our estimates for FY24E margins, while we revise FY24E Net Financial Position downward, reflecting the increased working capital needed for growth.

### FY25-26E: Positive newsflow prompts mild upward revision

For 2025-2026, we only apply a minor upward adjustment to reflect the positive newsflow. Management emphasizes that 2024 was an exceptional year in terms of growth, and a similar performance - at least organically - is unlikely to be replicated in 2025, as the backlog fully covers the year's activity, shifting now the focus to the execution.

As a result, the impact on RWY's projected estimates is minimal and results in the following:

- ◆ **Revenues:** expected to grow at a 27.0% CAGR 2023-26E and reaching €271mn at the end of forecast period. This growth is driven by existing >€1.1bn net backlog and by additional €0.8bn of new business orders to be received in the following 2 years;
- ◆ **Profitability:** EBITDA-EBITA margin at ca. 21.3%-19.3% in FY26E, leading to €57.8mn-€52.2mn EBITDA-EBITA respectively;
- ◆ **Net Debt at €58.1 in FY24E**, factoring €1.8mn acquisition cash-out related to the 1<sup>st</sup> tranche of the Vega acquisition, and higher working capital absorption due to the sudden business volume growth in the latter part of the year.

Note that Reported EBIT and Net Profit for FY24E-26E should be impacted by €6.0mn-€6.5mn/year non-tax-deductible goodwill related to latest acquisitions, while EBITA (or Adjusted EBIT before goodwill) and Adjusted Net Profit remain unaffected by these non-cash accounting items.

### Reway Group: Old vs. New Estimates 24E-26E

| €mn                      | 2024E        |              |                | 2025E        |              |              | 2026E        |              |               |
|--------------------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|---------------|
|                          | Old          | New          | Δ (%)          | Old          | New          | Δ (%)        | Old          | New          | Δ (%)         |
| <b>Total Revenues</b>    | <b>199.9</b> | <b>230.0</b> | <b>15.1%</b>   | <b>233.7</b> | <b>240.5</b> | <b>2.9%</b>  | <b>254.5</b> | <b>270.9</b> | <b>6.4%</b>   |
| <b>EBITDA</b>            | <b>42.5</b>  | <b>42.5</b>  | <b>0.1%</b>    | <b>50.1</b>  | <b>52.0</b>  | <b>3.7%</b>  | <b>54.8</b>  | <b>57.8</b>  | <b>5.4%</b>   |
| <i>EBITDA Margin (%)</i> | <i>21.2%</i> | <i>18.5%</i> | <i>-276bps</i> | <i>21.5%</i> | <i>21.6%</i> | <i>17bps</i> | <i>21.5%</i> | <i>21.3%</i> | <i>-22bps</i> |
| <b>EBITA</b>             | <b>38.6</b>  | <b>38.5</b>  | <b>-0.2%</b>   | <b>45.9</b>  | <b>47.6</b>  | <b>3.7%</b>  | <b>49.5</b>  | <b>52.2</b>  | <b>5.5%</b>   |
| <i>EBITA Margin (%)</i>  | <i>19.3%</i> | <i>16.7%</i> | <i>-256bps</i> | <i>19.6%</i> | <i>19.8%</i> | <i>15bps</i> | <i>19.5%</i> | <i>19.3%</i> | <i>-18bps</i> |
| <b>Net Profit Adj.</b>   | <b>22.8</b>  | <b>22.7</b>  | <b>-0.2%</b>   | <b>28.1</b>  | <b>29.2</b>  | <b>4.2%</b>  | <b>31.0</b>  | <b>32.9</b>  | <b>6.0%</b>   |
| <b>Net Fin. Position</b> | <b>-54.2</b> | <b>-58.1</b> | <b>-3.8</b>    | <b>-33.8</b> | <b>-36.3</b> | <b>-2.5</b>  | <b>-23.0</b> | <b>-20.5</b> | <b>2.5</b>    |

Source: Value Track Analysis

### Reway Group: Backlog and Orders' intake evolution 2023-2026E

| (€mn)                              | 2023          | 2024E          | 2025E          | 2026E          |
|------------------------------------|---------------|----------------|----------------|----------------|
| Backlog BoP (Beginning of Period)  | 572.0         | 818.5          | 1,153.7        | 1,348.2        |
| <b>(+) Orders Intake</b>           | <b>420.5</b>  | <b>560.0</b>   | <b>431.0</b>   | <b>431.0</b>   |
| Book-to-Bill                       | 2.4           | 2.5            | 1.8            | 1.6            |
| <b>(-) Orders Delivered (*)</b>    | <b>-174.0</b> | <b>-224.8</b>  | <b>-236.5</b>  | <b>-266.8</b>  |
| <b>Backlog EoP (End of Period)</b> | <b>818.5</b>  | <b>1,153.7</b> | <b>1,348.2</b> | <b>1,512.4</b> |

Source: Value Track analysis, (\*) = Value of Production (excluded Vega)

### Reway Group: Profit & Loss 2023-26E

| (€mn)                                       | 2023         | 2024E        | 2025E        | 2026E        |
|---------------------------------------------|--------------|--------------|--------------|--------------|
| <b>Value of Production</b>                  | <b>132.3</b> | <b>230.0</b> | <b>240.5</b> | <b>270.9</b> |
| Raw Materials, Δ Inventory (Finished Goods) | -31.1        | -54.0        | -56.5        | -63.7        |
| <b>Gross Profit</b>                         | <b>101.2</b> | <b>176.0</b> | <b>184.0</b> | <b>207.2</b> |
| <b>Gross Margin (%)</b>                     | <b>76.5%</b> | <b>76.5%</b> | <b>76.5%</b> | <b>76.5%</b> |
| Costs of Services                           | -36.5        | -69.0        | -64.9        | -74.5        |
| Costs of Rent                               | -15.9        | -27.6        | -28.1        | -31.2        |
| G&A                                         | -0.5         | -2.2         | -2.6         | -2.7         |
| Labour Costs                                | -21.9        | -34.7        | -36.4        | -41.1        |
| <b>EBITDA</b>                               | <b>26.4</b>  | <b>42.5</b>  | <b>52.0</b>  | <b>57.8</b>  |
| <b>EBITDA Margin (%)</b>                    | <b>20.0%</b> | <b>18.5%</b> | <b>21.6%</b> | <b>21.3%</b> |
| D&A (excl. goodwill)                        | -3.7         | -3.6         | -4.4         | -5.6         |
| Provisions                                  | -0.5         | -0.5         | 0.0          | 0.0          |
| <b>EBITA</b>                                | <b>23.9</b>  | <b>38.5</b>  | <b>47.6</b>  | <b>52.2</b>  |
| <b>EBITA Margin (%)</b>                     | <b>18.1%</b> | <b>16.7%</b> | <b>19.8%</b> | <b>19.3%</b> |
| Goodwill amortization                       | -1.7         | -6.2         | -6.5         | -6.5         |
| <b>EBIT</b>                                 | <b>22.2</b>  | <b>32.3</b>  | <b>41.1</b>  | <b>45.7</b>  |
| Interest Expenses                           | -0.8         | -3.5         | -3.4         | -2.7         |
| <b>Pre-Tax Profit</b>                       | <b>21.4</b>  | <b>28.8</b>  | <b>37.8</b>  | <b>43.1</b>  |
| Taxes                                       | -6.8         | -10.3        | -12.8        | -14.4        |
| Minorities                                  | -0.6         | 0.0          | -0.3         | -0.3         |
| <b>Net Profit</b>                           | <b>13.9</b>  | <b>18.4</b>  | <b>24.7</b>  | <b>28.3</b>  |
| <b>Adjusted Net Profit</b>                  | <b>15.7</b>  | <b>22.7</b>  | <b>29.2</b>  | <b>32.8</b>  |

Source: Reway Group, Value Track Analysis

### Reway Group: Balance Sheet 2023-26E

| (€mn)                                                 | 2023         | 2024E        | 2025E        | 2026E        |
|-------------------------------------------------------|--------------|--------------|--------------|--------------|
| Net Fixed Assets (incl. Goodwill)                     | 73.5         | 80.4         | 80.6         | 76.7         |
| Net Working Capital                                   | 78.6         | 70.6         | 74.0         | 91.2         |
| Provisions                                            | 28.1         | 3.2          | 3.6          | 4.0          |
| <b>Total Capital Employed</b>                         | <b>124.1</b> | <b>147.8</b> | <b>151.0</b> | <b>163.9</b> |
| <b>Group Net Equity</b>                               | <b>89.5</b>  | <b>89.8</b>  | <b>114.7</b> | <b>143.3</b> |
| <b>Net Fin. Position [i.e. Net Debt (-) Cash (+)]</b> | <b>-34.6</b> | <b>-58.1</b> | <b>-36.3</b> | <b>-20.5</b> |

Source: Reway Group, Value Track Analysis

### Reway Group: Cash Flow Statement 2023-26E

| (€mn)                           | 2023         | 2024E        | 2025E        | 2026E        |
|---------------------------------|--------------|--------------|--------------|--------------|
| EBITDA                          | 26.4         | 42.5         | 52.0         | 57.8         |
| Δ NWC                           | -57.4        | 7.9          | -3.4         | -17.2        |
| Capex (excl. Financial Inv.)    | -10.7        | -5.8         | -11.1        | -8.1         |
| Δ Provisions                    | 26.5         | -24.8        | 0.4          | 0.4          |
| <b>OpFCF b.t.</b>               | <b>-15.1</b> | <b>19.8</b>  | <b>37.9</b>  | <b>32.9</b>  |
| As a % of EBITDA                | -57.2%       | 46.7%        | 72.9%        | 57.0%        |
| Cash Taxes                      | -6.8         | -10.3        | -12.8        | -14.4        |
| <b>OpFCF a.t.</b>               | <b>-21.9</b> | <b>9.5</b>   | <b>25.1</b>  | <b>18.5</b>  |
| Capital Injections              | 18.0         | 0.0          | 0.0          | 0.0          |
| Others (incl. Financial Inv.)   | -26.1        | -29.4        | 0.0          | 0.0          |
| Net Financial Charges           | -0.8         | -3.5         | -3.4         | -2.7         |
| Dividends Paid                  | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Δ Net Financial Position</b> | <b>-30.7</b> | <b>-23.5</b> | <b>21.8</b>  | <b>15.8</b>  |
| <b>Net Financial Position</b>   | <b>-34.6</b> | <b>-58.1</b> | <b>-36.3</b> | <b>-20.5</b> |

Source: Reway Group, Value Track Analysis

## Valuation Update

Taking into account updated RWY's financial forecasts and peers re-rating (ca. +10% since our last update in October and despite some refinements in the cluster), we increase **Fair Value at €7.50 per share**, as average of DCF based fair value (€7.66 p.s.) and Peers' based analysis (€7.34 p.s.).

### Reway Group: Valuation Summary

| Valuation Methodologies         | Fair Equity Value (€mn) | Fair Equity Value p.s. (€) |
|---------------------------------|-------------------------|----------------------------|
| DCF Model                       | 297.2                   | 7.66                       |
| Current Market Multiples        | 285.0                   | 7.34                       |
| <b>Fair Equity Value (avg.)</b> | <b>291.1</b>            | <b>7.50</b>                |

Source: Value Track Analysis

At €7.50 fair value, RWY would trade at **6.3x EV/EBITDA**, **6.9x EV/EBITA**, **10.0x Adj. P/E 2025E** multiples, in line with peers on EV/EBITDA and at discount on EV/EBITA and P/E Adj.

### Reway Group stock multiples at current market price and at fair value

| Per Share | EV/Sales |       |       | EV/EBITDA |       |       | EV/EBITA |       |       | P/E Adj. |       |       |
|-----------|----------|-------|-------|-----------|-------|-------|----------|-------|-------|----------|-------|-------|
|           | 2024PF   | 2025E | 2026E | 2024PF    | 2025E | 2026E | 2024PF   | 2025E | 2026E | 2024PF   | 2025E | 2026E |
| € 6.60    | 1.35     | 1.22  | 1.02  | 7.2       | 5.6   | 4.8   | 8.1      | 6.1   | 5.3   | 11.1     | 8.8   | 7.8   |
| € 7.50    | 1.50     | 1.36  | 1.15  | 8.0       | 6.3   | 5.4   | 9.0      | 6.9   | 6.0   | 12.7     | 10.0  | 8.9   |

Source: Value Track Analysis

### Discounted Cash Flow Model

We update our DCF-based fair value to **€7.66 per share**, reflecting: 1) an improved short-to-medium term outlook; 2) DCF anchor rolled to 2025 with explicit forecasts from 2026E to 2030E, and; 3) updated Italian ERP (5.37%) and Beta (0.95) assumptions per Damodaran's January update.

All other assumptions remain unchanged:

- ◆ 2.0% Risk Free Rate in line with medium term inflation target;
- ◆ 3.0% Company-specific Risk Premium (2.5% due to small-size +0.5% due to client concentration);
- ◆ 5.0% Pre-Tax Cost of Debt, still supported by optimal interest coverage ratio despite higher debt;
- ◆ 1.5% Perpetuity Growth Rate ("g").

### Reway Group: DCF Model with Rolling Capital Structure

| (€mn, g = 1.5%)                        | (€mn)        |
|----------------------------------------|--------------|
| PV of Future Cash-Flows 2026E-2030E    | 91.4         |
| PV of Terminal Value 2030E             | 242.1        |
| <b>Fair Enterprise Value</b>           | <b>333.5</b> |
| Net Financial Position 2025E           | -36.3        |
| <b>100% Fair Equity Value</b>          | <b>297.2</b> |
| NoSh Post-Deal (#)                     | 38.8         |
| <b>Fair Equity Value per share (€)</b> | <b>7.66</b>  |

Source: Value Track Analysis

### Peers' current Stock Multiples

Given the marked improvements in the Company's size, outlook, and business definition since the IPO, as well as the emergence of new domestic players amid robust infrastructure investments, we have deemed it necessary to substantially update our peer comparison selection. Our revised cluster spans a diverse range of infrastructure companies, including a series of Italian recently listed SMEs operating in the broad infrastructure sector (e.g., *ICOP*, *Edil San Felice*, *Palingeo*, *Ubaldi Costruzioni* – ca. €100mn avg. Mkt Cap) to larger international firms such as *Construction Partners* (€4bn Market Cap). To smooth such dispersion, we rely on the median of the cluster, while we select EV/EBITDA FY25-26E and P/E FY25-26E as the most pertinent multiples for our analysis. This leads to calculate Reway Group **fair Equity Value** per share at **€7.34**, which would imply RWY to trade at 6.2x-5.3x EV/EBITDA FY25-26E, and 9.8x-8.7x P/E Adj. FY25-26E.

#### Reway Group: Peers' Trading Multiples

| Peers                               | Mkt Cap (€mn) | EV / EBITDA (x) |            | EV / EBITA (x) |            | P / E Adj. (x) |             |
|-------------------------------------|---------------|-----------------|------------|----------------|------------|----------------|-------------|
|                                     |               | 2025E           | 2026E      | 2025E          | 2026E      | 2025E          | 2026E       |
| Edil San Felice S.P.A.              | 89            | 4.9             | 3.9        | 5.6            | 4.5        | 8.6            | 7.8         |
| I.CO.P. S.p.A.                      | 261           | 4.7             | 3.5        | 6.0            | 4.2        | 6.8            | 5.0         |
| Palingeo S.P.A                      | 40            | 2.6             | 2.1        | 3.5            | 2.9        | 4.8            | 4.6         |
| Ubaldi Costruzioni SpA              | 29            | 2.3             | 1.9        | 2.5            | 2.0        | 5.3            | 5.2         |
| Peab AB Class B                     | 2,161         | 8.4             | 7.3        | 13.4           | 11.1       | 13.8           | 11.6        |
| Veidekke ASA                        | 1,665         | 6.1             | 5.7        | 9.9            | 9.1        | 14.8           | 13.8        |
| Bilfinger SE                        | 2,178         | 5.8             | 5.2        | 7.9            | 6.8        | 11.4           | 10.1        |
| NCC AB Class B                      | 1,588         | 6.1             | 5.8        | 10.2           | 9.4        | 12.3           | 11.6        |
| Stadler Rail AG                     | 2,206         | 7.5             | 5.3        | 12.6           | 8.1        | 16.1           | 10.7        |
| Construction Partners, Inc. Class A | 3,909         | 13.4            | 11.4       | 24.8           | 18.8       | 39.1           | 27.1        |
| <b>Average</b>                      | <b>1,413</b>  | <b>6.2</b>      | <b>5.2</b> | <b>9.6</b>     | <b>7.7</b> | <b>13.3</b>    | <b>10.8</b> |
| <b>Median</b>                       | <b>1,626</b>  | <b>5.9</b>      | <b>5.2</b> | <b>8.9</b>     | <b>7.5</b> | <b>11.8</b>    | <b>10.4</b> |

Source: Market Consensus, Value Track Analysis

### Cross Check – Recent M&A Transaction in Infrastructure Industry

As an additional validation, we observe a sample of M&A multiples related to both international and domestic deals. As from the table below, the average multiples implied by these M&A deals, were **0.9x EV/Sales and 8.3 EV/EBITDA**, which appear largely supportive with respect to multiples implied by our RWY fair value, also considering that all the M&A deals considered factored a control premium.

#### Reway Group: Peers' Trading Multiples

| Date           | Buyer Name       | Target                            | Country (Buyer) | Deal Size (\$mn) | EV/Revenue | EV/EBITDA  |
|----------------|------------------|-----------------------------------|-----------------|------------------|------------|------------|
| 2025           | Icop Subsoil     | Atlantic GeoConstruction Holdings | Italy           | 126.0            | 1.1        | 7.1        |
| 2024           | MSIP             | Salcef                            | US              | 1,698            | 2.1        | 10.2       |
| 2023           | Fincantieri      | Remazel Engineering               | Italy           | 70.9             | 0.6        | 7.9        |
| 2023           | Spie Batignolles | CIFE (*)                          | France          | 49.5             | 0.3        | 6.7        |
| 2023           | Bouygues         | Colas                             | France          | 194.4            | 0.5        | 9.7        |
| <b>Average</b> |                  |                                   |                 |                  | <b>0.9</b> | <b>8.3</b> |

Source: Factset, Value Track Analysis, (\*) Compagnie Industrielle et Financière d'Entreprises SA

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