

Reway Group

Sector: Infrastructure maintenance and reparation



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KPIs supportive, upside potential on FY25E

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.

1H25 KPIs: Backlog hits new historic high and solid financials

Reway Group reported solid 1H25 KPIs, confirming strong commercial momentum, revenue growth, and leverage under control.

i) **Backlog** hit a new record at €1,157mn (vs €1,044mn as of Dec 2024), driven by €245mn new orders and €132mn works executed in 1H25. The backlog covers ~5 years of production and supports strong visibility ahead;

ii) **VoP** reached €134.8mn (+16% y/y vs €116.2mn 1H24), driven by robust activity in road/highway maintenance (€99.3mn) and growing contribution from rail (€32.7mn). Engineering design added €2.8mn, mainly from Vega Engineering (acquired end-2024);

iii) **Net Debt** flattish at €67.6mn (vs €67.0mn as of Dec 2024), suggesting effective working capital management despite increased activity.

Our Take: VoP & Intake ahead, 2H FCF ambitious but possible

Order Intake and Revenues exceeded our expectations, while Net Debt remained flat, implying that a strong 2H cash generation (~€20mn) will be needed to meet FY targets.

i) 1H25 Order Intake stands at 61% of our FY2025E;

ii) 1H25 Revenues (€134.8mn) already cover >55% of our FY25E forecast (~€245mn), making the implied €110mn for 2H appear conservative, especially given RWY's historically stronger second half;

iii) Net debt held flat at €67.6mn, well above our FY target. While margin-accretive projects are usually concentrated in 2H, hitting the full-year cash generation target will require an acceleration.

Fair Value Under Review (up) pending full 1H25 results

The solid market momentum and strong 1H Revenue base suggest potential upside to our current assessment. We place our previous €7.6 Fair Value p/s Under Review, pending more clarity on margin trajectory and working capital dynamics a key variable in this business, given its historical volatility and material impact on Net Debt.

We note that the stock is currently trading above our previous €7.6 FV, reflecting market appetite RWY's earnings visibility and defensive profile. We will revisit our FV once full 1H25 data is available.

Fair Value (€)	U/R
Market Price (€)	9.20
Market Cap.	357.0

KEY FINANCIALS (€mn)	2024A	2025E	2026E
VALUE OF PRODUCTION	232.3	245.0	273.2
EBITDA	42.6	51.6	57.5
EBITA	38.8	46.8	52.1
NET PROFIT	17.9	23.6	27.4
NET INV. CAP.	156.4	160.5	172.2
EQUITY	89.4	113.1	140.9
NET FIN. POS.	-67.0	-47.3	-31.3
EPS ADJ. (€)	0.58	0.73	0.83

Source: Reway Group (historical figures)
Value Track (2025-26E estimates)

KEY RATIOS (*)	2024A	2025E	2026E
EBITDA MARGIN (%)	18.4	21.0	21.0
EBITA MARGIN (%)	16.7	19.1	19.1
NET DEBT / EBITDA (x)	1.6	0.9	0.5
NET DEBT / EQUITY (x)	0.7	0.4	0.2
EV/SALES (x)	1.5	1.7	1.4
EV/EBITDA (x)	7.9	7.8	6.8
EV/EBITA (x)	8.7	8.6	7.5
P/E ADJ. (x)	12.2	12.6	11.1

Source: Reway Group (historical figures)
Value Track (2025E-26E estimates)

STOCK DATA (*)	
MARKET PRICE (€)	9.2
SHS. OUT. (m)	38.8
MARKET CAP. (€m)	357.0
ENTERPRISE VALUE (€m)	404.3
FREE FLOAT (%)	13.1
AVG. -20D VOL. ('000)	8,125
RIC / BBG	RWY.MI / RWY IM
52 WK RANGE	5.14-9.80

Source: Stock Market Data

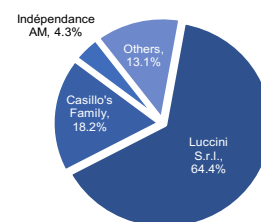


Business Description

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.

Shareholders Structure



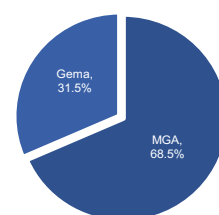
Source: Reway Group

Key Financials

€mn	2023A	2024A	2025E	2026E
Value of Production	132.3	232.3	245.0	273.2
Chg. % YoY	43.6%	75.6%	5.5%	11.5%
EBITDA	26.4	42.6	51.6	57.5
EBITDA Margin (%)	20.0%	18.4%	21.0%	21.0%
EBIT	22.2	32.6	40.2	45.4
EBIT Margin (%)	16.8%	14.0%	16.4%	16.6%
Net Profit	13.9	17.9	23.6	27.4
Chg. % YoY	65.8%	28.3%	31.7%	16.5%
Adjusted Net Profit	15.7	22.2	28.2	32.1
Chg. % YoY	51.2%	41.9%	26.9%	13.8%
Net Fin. Position	-34.6	-67.0	-47.3	-31.3
Net Fin. Pos. / EBITDA (x)	1.3	1.6	0.9	0.5
Capex	-6.0	-5.2	-8.6	-10.9
OpFCF b.t.	-15.1	13.0	36.1	33.7
OpFCF b.t. as % of EBITDA	nm	30.5%	70.0%	58.6%

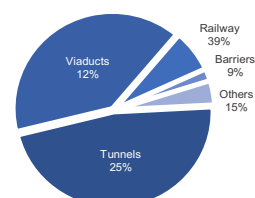
Source: Value Track SpA (historical figures), Value Track (estimates)

FY24 Revenues by subsidiary (est.)



Source: Reway Group

Backlog by Segment (Last Available)



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

Investment case

Strengths / Opportunities

- ◆ High business visibility thanks to orders received on good notice;
- ◆ Low macro sensitivity, decoupled from GDP and global trade dynamics;
- ◆ 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.

Stock multiples @ €7.6 FV (U/R)

	2025E	2026E
EV / SALES (x)	1.4	1.2
EV / EBITDA (x)	6.6	5.7
EV / EBITA (x)	8.5	7.2
EV / CAP.EMP. (x)	2.1	1.9
OpFCF Yield (%)	10.5	10.3
P / E Adj. (x)	10.4	9.2
P / BV (x)	2.6	2.1
Div. Yield. (%)	0.0	0.0

Source: Value Track, (*) Last Fair Value

1H25A KPI vs. FY25E

Reway Group: KPIs FY24 – 1H25 – FY25E

(€, mn)	FY24	1H25	FY25E	% of FY25
Order Intake	441.0	245.0	400.0	61%
Value of Production	232.3	134.8	245.0	55%

(€, mn)	FY24	1H25	FY25E	Δ to FY25
Backlog EoP	1,044.3	1,157.3	1,207.3	49.9
Net Debt	-67.0	-67.6	-47.3	19.6

Source: Reway Group, Value Track Analysis

2023A-26E Backlog and Orders' intake

Reway Group (New Perimeter): Backlog and Orders' intake evolution 2023-26E

(€mn)	2023	2024	2025E	2026E
Backlog BoP (Beginning of Period)	572.0	818.5	1,044.3	1,207.3
(+) Orders Intake	420.5	441.0	400.0	400.0
Book-to-Bill	2.4x	2.0x	1.7x	1.5x
(-) Orders Delivered (*)	-174.0	-215.1	-237.0	-265.0
Backlog EoP (End of Period)	818.5	1,044.3	1,207.3	1,342.2

Source: Value Track analysis, (*) Value of Production excluding Vega

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