

REWAY GROUP

Infrastructures Maintenance and Reparation

Safe Harbor, Stronger Tailwinds

Reway Group is 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.

Strong 1H25 Performance with €1.2bn Backlog

RWY reported **solid 1H25 results**, with double-digit growth and margin expansion vs 1H24. Key points include:

- VoP at €134.7mn (+16.0% YoY), fully organic, reflecting steady execution across road & motorway rehabilitation (€95.1mn), rail maintenance (€34.5mn), engineering design (€3.0mn), ancillary services (€2.1mn). By subsidiary: Gema 58%, MGA 40%, Vega 2%;
- EBITDA at €26.2mn (+29.5% YoY), with 19.5% Margin (+204bps YoY), supported by a more favorable mix and operating leverage;
- Net Debt at €65.7mn (vs €67.0mn at FY24-end), with OpFCF b.t. close to ~35%, but partly absorbed by a €8.6mn increase in NWC and €1.8mn capex.

Notably, **backlog reached ~€1.157bn as of 1H25** (vs €1.044bn at FY24), underpinned by €245mn of new orders and >€132mn of works executed in 1H25; the stock of awarded-but-not-yet-executed contracts provides strong revenue visibility over the next 5 years.

P&L Slightly Upgraded, but Tougher NWC Cycle

We nudge up our P&L profile – about +3–4% on both revenue and EBITDA – while paring back FCF to reflect a heavier NWC burden. With a broad set of awards in hand, management is tilting from intake to delivery, adding staff and deepening the management bench across the group. We also push the forecast window out to FY30E (previously FY26E) to capture the next leg of scale.

Our updated 2024-30E forecasts are: 1) VoP CAGR at 8.4%, supported by >€1.2bn net backlog and ~€2.5bn expected new orders over six years; 2) EBITDA and EBITA Margins at 21.4% and 19.3%, implying €80.7mn and €72.7mn in 2030E; 3) Net Cash at ~€74.0mn by FY30E, achieved despite NWC headwinds and capex ~3% of VoP.

Fair Value at €10.2 p/s

Based on P&L upgrade and peer-group rerating, we set **Fair Value at €10.2 per share** (vs U/R in August and €7.6 in April), based on DCF (€10.3 p/s) and Peers analysis (€10.1 p/s). We note that the stock is currently trading at ca. €12.0 p.s., up more than 70% in the latest 6 months driven by the mounting acquisition of new orders. We calculate that in order to have a fair value in line with current stock market price, a further ca. €9mn higher EBITDA is needed, i.e. some €30mn–€38mn additional annual revenue, with contract margin in the 25%–30% region.

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FAIR VALUE (€) **10.2**

MARKET PRICE (€) **12.3**

MARKET CAP (€mn) **477.3**

KEY FINANCIALS	FY24	FY25E	FY26E
VALUE OF PRODUCTION	232.3	255.0	280.9
EBITDA	42.6	52.5	58.5
EBITA	38.8	48.3	53.8
NET PROFIT	17.9	24.4	28.5
NET INV. CAP.	156.4	172.2	184.9
GROUP NET EQUITY	89.4	114.0	142.8
NET DEBT (-) / NET CASH (+)	-67.0	-58.2	-42.1
EPS ADJ.	0.58	0.75	0.85

Source: Reway Group (historical figures), Value Track (estimates)

RATIOS AND MULTIPLES	FY24	FY25E	FY26E
EBITDA MARGIN (%)	18.4	20.6	20.8
EBIT MARGIN (%)	16.7	18.9	19.2
NET DEBT / EBITDA (x)	1.6	1.1	0.7
NET DEBT / NET EQUITY (x)	0.7	0.5	0.3
ROE (%)	20.0	21.5	20.0
EV / SALES (x)	1.5	2.1	1.8
EV / EBITDA (x)	7.9	10.2	8.9
EV / EBITA (x)	8.7	11.1	9.6
P / E ADJ. (x)	12.2	16.4	14.4

Source: Reway Group (historical figures), Value Track (estimates)

STOCK DATA	
MARKET PRICE (€)	12.3
NOSH (mn)	38.8
MARKET CAP (€mn)	477.3
ENTERPRISE VALUE (€mn)	535.5
FREE FLOAT (%)	13.1
AVG L30D VOLUME ('000)	6,960
RIC / BBG	RWY.MI / RWY.IM
52 WK MAX - MIN (€)	5.30-12.30

Source: Stock Market Data

Description

Reway Group (RWG) 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. RWG 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.

Financial Highlights

KEY FINANCIALS (IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E
Value of Production	232.3	255.0	280.9	304.3
y/y (%)	nm	9.8%	10.2%	8.3%
EBITDA	42.6	52.5	58.5	64.9
EBITDA Margin (% on VoP)	18.4%	20.6%	20.8%	21.3%
EBIT	32.6	41.6	47.2	52.6
EBIT Margin (% on VoP)	14.0%	16.3%	16.8%	17.3%
Net Profit	17.9	24.4	28.5	31.2
y/y (%)	nm	36.6%	16.7%	9.5%
Adj. Net Profit	22.2	29.1	33.2	35.9
y/y (%)	nm	30.9%	14.0%	8.1%
Net Fin. Position [Net Debt (-) / Cash(+)]	-67.0	-58.2	-42.1	-20.9
Net. Fin. Pos. / EBITDA (x)	1.6	1.1	0.7	0.3
Capex	-5.2	-7.7	-8.4	-9.1
OpFCF b.t.	13.0	25.8	34.4	45.9
OpFCF b.t. / EBITDA (%)	30.5%	49.1%	58.9%	70.8%

Source: Reway Group, Value Track Analysis

Investment Case

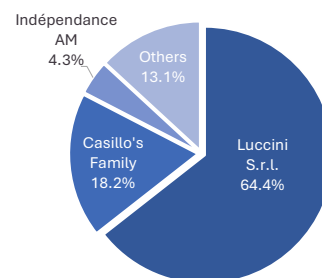
Strengths / Opportunities

- 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

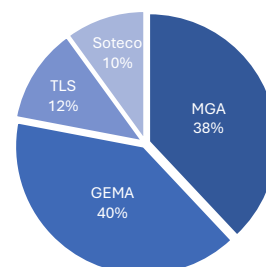
- Revenue concentration on a few clients;
- Limited operating leverage due to the high incidence of costs that are proportional to VoP;
- Exposure to volatility of raw materials prices.

SHAREHOLDER STRUCTURE



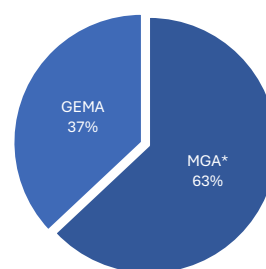
Source: Reway Group

SALES BY SUBSIDIARY



Source: Reway Group, FY24

CURRENT BACKLOG BY SUBSIDIARY



Source: RWY, 1H25, (*) Soteco & TLS merged in MGA

STOCK MULTIPLES @ FV	FY25E	FY26E
EV / SALES (x)	1.8	1.6
EV / EBITDA (x)	8.6	7.5
EV / EBIT (x)	10.9	9.3
EV / CAP. EMPLOYED	2.6	2.4
OpFCF Yield (%)	5.7	7.9
P / E (x)	16.2	13.9
P / BV (x)	3.5	2.8
Dividend Yield (%)	0.0	0.0

Source: Value Track Analysis

1H25 Financials

Introduction

1H25 was marked by **strong commercial momentum** — with >€245mn in new contracts across road, motorway, railway, and port infrastructure — confirming Reway Group’s solid commercial traction and market leadership, while also marking its debut in the port railway maintenance segment following two contracts awarded by the Eastern Ligurian Sea Port Authority, thereby expanding its operational reach and diversifying its end markets.

Going into details, we flag:

- Modernization and enhancement of the Bovisa railway junction (Milan) by TLS for FERROVIENORD S.p.A. (€110.5mn, Feb 11, 2025), marking the start of a collaboration with a new strategic client in a key industrial hub;
- Extraordinary railway maintenance works carried out by GEMA across Ancona (Lot 1), Palermo (Lot 13), and Rome (Lot 16) (€97mn, Feb 27, 2025);
- Renovation and systems upgrades at Firenze S. Maria Novella and Bologna Centrale stations, awarded to GEMA (approx. €30mn, May 28, 2025);
- Port maintenance projects assigned to MGA and GEMA by the Eastern Ligurian Sea Port Authority (combined value exceeding €9mn, Jun 20, 2025).

Notably, on February 28, 2025, Soteco and TLS were merged into MGA, further streamlining the Group’s corporate structure and enhancing operational and administrative efficiency across motorway rehabilitation activities.

Paolo Luccini, Chairman and CEO of RWY, commented: *“The first half of 2025 confirms the strong growth that has always characterized Reway Group, with further strengthening of our economic and financial results driven by the award of several major contracts and the effective execution of our existing order backlog. In these first six months, we have completed several worksites, rehabilitating projects of significant public relevance...”*.

Key Messages

RWG’s 1H25 **interim results are slightly better than our full-year estimates**, confirming solid organic growth and resilient operating margins. Main deviations were observed due to:

- A stronger-than-expected revenue trajectory, pointing to potential upside on FY25E top-line assumptions;
- Higher working capital absorption, resulting in a modest deterioration in Net Debt Position.

EBITDA in absolute terms remained fully consistent with estimates, underlining effective cost management and strong operational discipline.

Reway Group: Key Financials 1H24 - 1H25

(€mn, IT GAAP)	1H24	1H25	Δ YoY (%)
Value of Production	116.2	134.7	16.0%
EBITDA	20.3	26.2	29.5%
EBITDA Margin (%)	17.4%	19.5%	+204bps
EBIT	15.4	21.0	36.3%
EBIT Margin (%)	13.3%	15.6%	+232bps
Net Profit	8.5	11.8	39.5%
(€mn, IT GAAP)	FY24	1H25	Δ 1H24-1H25 (€mn)
Net. Fin. Position [i.e. Net Debt (-) Cash (+)]	-67.0	-65.8	1.3

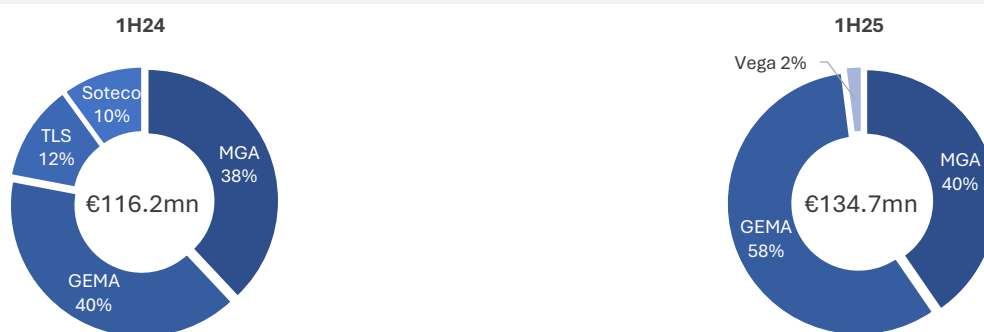
Source: Reway Group, Value Track Analysis

VoP +16% y/y, Net Profit +39.5% y/y - All Key Metrics Up

1H25 figures were out as follows, with comparisons made to 1H24:

- **Value of Production at €134.7mn** (+16.0% y/y), entirely organic and reflecting the progressive execution of awarded contracts across the road, motorway, and railway segments. By business unit, €95.1mn derived from road and motorway rehabilitation, €34.5mn from railway maintenance, €3.0mn from engineering design, and €2.1mn from other ancillary services. To note that the primary contributor to VoP was Gema (58%), followed by MGA (40%) and Vega (2%);

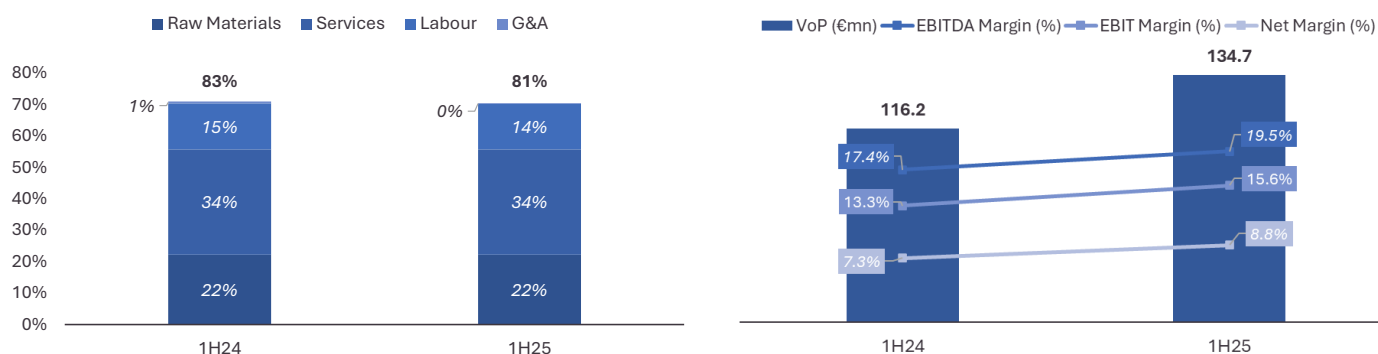
Reway Group: Value of Production Breakdown 1H24 vs 1H25



Source: Reway Group, Value Track Analysis

- **EBITDA at €26.2mn** (+29.5% y/y), with a higher EBITDA Margin (+204bps y/y to 19.5%), supported by a more favourable revenue mix and stronger operating leverage on higher production volumes. In terms of OpEx, we mention: i) Cost of Services (+16% y/y), consistent with growth in production volumes; 2) Rental Costs flattish y/y despite greater activity; 3) Labour Cost (+14.5% y/y), reflecting a leaner workforce (headcount down from 738 in Dec-24 to 658 in 1H25) but with a different organizational mix — one additional executive, three more managers, and roughly 100 fewer production workers — underpinning continued efficiency and improved resource allocation;
- **EBIT at €21.0mn** (+36.3% y/y), corresponding to a 15.6% EBIT Margin (vs. 13.3% in 1H24). In absolute terms, results reflect €5.2mn in D&A, mainly attributable to tangible assets and goodwill amortisation from previous acquisitions (Gema, MGA, Soteco, TLS, and Vega Engineering);
- **Net Profit at €11.8mn** (+39.5% y/y), driven by volume expansion, improved operating margins, and a leaner financial structure, partially offset by minority interests from Vega Engineering (60% owned);
- **Backlog at €1.2bn** (+€113mn vs. FY24), sustained by €245mn of new contract acquisitions during the semester, ensuring 5-year revenue visibility.

Reway Group: Cost Structure and Evolution of VoP, EBITDA/EBIT/Net Margin 1H24-1H25



Source: Reway Group, Value Track Analysis

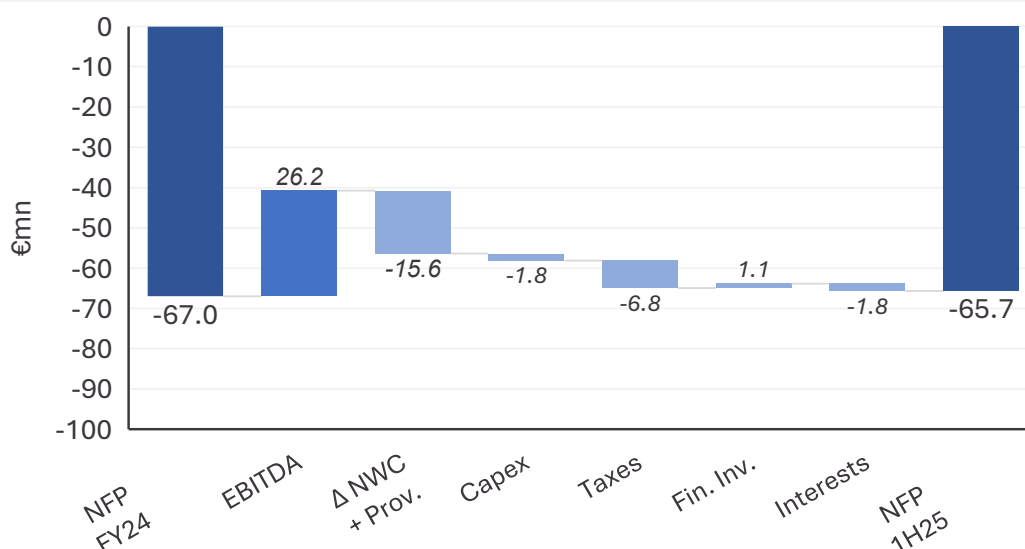
Net Debt Reduction Despite €7.3mn Earn-Out Outflow

At the Balance Sheet level, we note that **Net Debt** decreased to **€65.7mn** (vs. €67.0mn as of FY24-end), as a result of the following dynamics:

- **Net Fixed Assets** stood at **€77.1mn** (vs. €81.4mn at FY24 year-end), reflecting a decrease mainly attributable to the amortization of goodwill arising from the acquisition of Gema, as well as the partial divestment of minority interests in MGA, Soteco, and TLS, and the 40% stake in Vega Engineering;
- **Net Working Capital** amounted to **€99.5mn** (vs. €91.0mn in December 2024), primarily driven by seasonal fluctuations in trade receivables and payables associated with higher business volumes;

As far as the Net Debt structure is concerned, the improvement reflects a reduction in current financial debt (€14.9mn at YE24 to €4.7mn as of Jun-25) and a modest decrease in non-current debt (€57.2mn to €55.4mn), while cash and cash equivalents fell from €21.2mn to €11.9mn due to debt repayment and the €7.3mn outflow for the partial earn-out to Gema's sellers.

Reway Group: Net Financial Position Bridge FY24-1H25



Source: Reway Group, Value Track Analysis

Reway Group: Balance Sheet 1H24 – 1H25

(€mn, IT GAAP)	1H24	FY24	1H25
Net Fixed Assets (incl. Goodwill)	78.0	81.4	77.1
Net Working Capital	89.2	91.0	99.5
Provisions	26.3	16.0	9.0
Total Capital Employed	141.0	156.4	167.6
Group Net Equity	78.2	89.4	101.8
NFP [i.e. Net Debt (-) Cash (+)]	-62.8	-67.0	-65.8

Source: Reway Group, Value Track Analysis

Reway Group: Profit & Loss 1H24 – 1H25

(€mn, IT GAAP)	1H24	2H24	1H25	Δ YoY
Value of Production	116.2	116.1	134.7	16.0%
Raw Materials, Δ Inventory (Raw Materials)	-25.8	-20.6	-29.9	15.8%
Gross Profit	90.4	95.5	104.9	16.1%
Gross Margin (%)	77.8%	82.2%	77.8%	4bps
Costs of Services	-39.0	-42.8	-45.3	16.2%
Costs of Rent	-13.5	-12.6	-13.6	0.6%
G&A	-0.7	-0.3	-0.3	nm
Labour Costs	-17.0	-17.4	-19.5	14.5%
EBITDA	20.3	22.4	26.2	29.5%
<i>EBITDA Margin (% on VoP)</i>	<i>17.4%</i>	<i>19.3%</i>	<i>19.5%</i>	<i>204bps</i>
D&A (excl. goodwill)	-1.6	-2.2	-1.5	-9.8%
Provisions	-0.2	0.2	-0.2	25.7%
EBITA	18.4	20.4	24.5	33.1%
<i>EBITA Margin (% on VoP)</i>	<i>15.9%</i>	<i>17.5%</i>	<i>18.2%</i>	<i>234bps</i>
Goodwill amortization	-3.0	-3.2	-3.5	16.7%
EBIT	15.4	17.2	21.0	36.3%
Interest Expenses	-1.7	-2.4	-1.8	4.9%
Pre-Tax Profit	13.7	14.8	19.2	40.3%
Taxes	-5.2	-5.4	-6.8	31.2%
Minorities	0.0	0.0	-0.5	nm
Net Profit	8.5	9.4	11.8	39.5%
<i>Net Margin (%)</i>	<i>7.3%</i>	<i>8.1%</i>	<i>8.8%</i>	<i>148bps</i>

Source: Reway Group, Value Track Analysis

Reway Group: Cash Flow Statement 1H24 – 1H25

(€mn, IT GAAP)	1H24	2H24	1H25
EBITDA	20.3	22.4	26.2
Δ NWC	-10.7	-1.7	-8.6
Capex (excl. Financial Inv.)	-1.3	-3.9	-1.8
Δ Provisions	-2.0	-10.1	-7.0
OpFCF b.t.	6.3	6.7	8.8
<i>As a % of EBITDA</i>	<i>31.3%</i>	<i>29.8%</i>	<i>33.6%</i>
Cash Taxes	-5.2	-5.4	-6.8
OpFCF a.t.	1.1	1.2	2.0
Others (incl. Financial Inv.)	-27.6	-3.0	1.1
Net Financial Charges	-1.7	-2.4	-1.8
Δ Net Financial Position	-28.2	-4.2	1.3
Net Financial Position	-62.8	-67.0	-65.8

Source: Reway Group, Value Track Analysis

Updated Forecasts from FY25E-Onwards

FY25E-30E: Upward P&L Revision with Elevated NWC Assumptions

We lift our P&L outlook modestly (~+3/4%) on both revenue and EBITDA, while trimming cash-flow generation to reflect a structurally higher working capital intensity (~42% of VoP vs 38–40% prior). Management cites robust momentum from numerous awarded contracts and plans to add headcount and deepen the management layer across the parent and subsidiaries — pivoting near-term priorities from booking to delivery. Importantly, we extend the forecast horizon (previously through FY26E) out to FY30E to capture the next phase of scaling.

As a result, the impact on projected estimates is modest and translates into the following:

- **Revenues:** expected to grow at an 8.4% CAGR over 2024–2030E. Particularly, growth is underpinned by a >€1.2bn net backlog and an additional €2.5bn in expected new orders over the next six years;
- **Profitability:** FY30E's EBITDA and EBITA Margins are seen at 21.4% and 19.3%, implying €80.7m and €72.7m, respectively;
- **Balance Sheet:** on track for ~€74.0mn Net Cash Position by FY30E, underpinned by ~€400mn cumulative EBITDA and achieved despite NWC headwinds and capex ~3% of VoP. Specifically, RWY's OpFCF b.t. conversion averages ~65%, which translates into ~€100m cumulative FCF.

Note that Reported EBIT and Net Profit for FY25E–26E should be impacted by ~€6.7mn/year of non-tax-deductible goodwill related to recent acquisitions, while EBITA (Adj. EBIT before goodwill) and Adj. Net Profit remain unaffected by these non-cash items.

Reway Group: Old vs. New Estimates 2024-2027E

€mn	2025E			2026E			2027E		
	Old	New	Δ (%)	Old	New	Δ (%)	Old	New	Δ (%)
Total Revenues	245.0	255.0	4.1%	273.2	280.9	2.8%	//	304.3	//
EBITDA	51.6	52.5	1.7%	57.5	58.5	1.7%	//	64.9	//
EBITDA Margin (%)	21.1%	20.6%	-48bps	21.0%	20.8%	-24bps	//	21.3%	//
EBITA	46.7	48.3	3.4%	52.0	53.8	3.5%	//	59.3	//
EBITA Margin (%)	19.1%	18.9%	-12bps	19.0%	19.2%	13bps	//	19.5%	//
Net Profit Adj.	28.2	29.1	3.2%	32.1	33.2	3.3%	//	35.9	//
Net Fin. Position	-47.3	-58.2	-10.9	-31.3	-42.1	-10.8	//	-20.9	//

Source: Value Track Analysis

Reway Group: Backlog and Orders' intake evolution 2024-2030E

(€mn)	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Backlog BoP (Beginning of Period)	818.5	1,044.3	1,217.3	1,364.5	1,488.6	1,589.1	1,665.7
(+) Orders Intake	441.0	420.0	420.0	420.0	420.0	420.0	420.0
Book-to-Bill	2.0	1.7	1.5	1.4	1.3	1.2	1.1
(-) Orders Delivered (*)	-215.1	-247.0	-272.8	-296.0	-319.4	-343.4	-367.9
Backlog EoP (End of Period)	1,044.3	1,217.3	1,364.5	1,488.6	1,589.1	1,665.7	1,717.8

Source: Reway Group, Value Track Analysis; (*) = Value of Production (excluded Vega)

Reway Group: Profit & Loss FY24-FY30E

(€mn, IT GAAP)	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Value of Production	232.3	255.0	280.9	304.3	328.0	352.1	376.9
Raw Materials, Δ Inventory	-46.4	-51.0	-56.2	-60.9	-65.6	-70.4	-75.4
Gross Profit	185.9	204.0	224.7	243.4	262.4	281.7	301.5
Gross Margin (%)	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Costs of Services	-81.7	-81.6	-89.9	-97.4	-104.9	-112.7	-120.6
Costs of Rent	-26.1	-29.1	-32.0	-34.7	-37.4	-40.1	-43.0
G&A	-1.0	-1.3	-1.4	-1.5	-1.6	-1.8	-1.9
Labour Costs	-34.4	-39.6	-43.0	-45.0	-48.2	-51.7	-55.4
EBITDA	42.6	52.5	58.5	64.9	70.2	75.4	80.7
<i>EBITDA Margin (% on VoP)</i>	<i>18.4%</i>	<i>20.6%</i>	<i>20.8%</i>	<i>21.3%</i>	<i>21.4%</i>	<i>21.4%</i>	<i>21.4%</i>
D&A (excl. goodwill)	-3.8	-4.2	-4.6	-5.6	-6.3	-7.0	-8.0
Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	38.8	48.3	53.8	59.3	63.8	68.4	72.7
<i>EBITA Margin (% on VoP)</i>	<i>16.7%</i>	<i>18.9%</i>	<i>19.2%</i>	<i>19.5%</i>	<i>19.5%</i>	<i>19.4%</i>	<i>19.3%</i>
Goodwill amortization	-6.2	-6.7	-6.7	-6.7	-6.7	-6.7	-6.7
EBIT	32.6	41.6	47.2	52.6	57.2	61.7	66.0
Interest Expenses	-4.1	-4.2	-3.8	-3.4	-2.8	-2.3	-1.7
Pre-Tax Profit	28.5	37.4	43.4	49.3	54.3	59.5	64.4
Taxes	-10.6	-12.7	-14.5	-18.0	-19.7	-21.5	-23.1
Minorities	0.0	-0.3	-0.3	0.0	0.0	0.0	0.0
Net Profit	17.9	24.4	28.5	31.2	34.6	38.0	41.3
<i>Net Margin (%)</i>	<i>7.7%</i>	<i>9.6%</i>	<i>10.1%</i>	<i>10.3%</i>	<i>10.5%</i>	<i>10.8%</i>	<i>10.9%</i>

Source: Reway Group, Value Track Analysis

Reway Group: Balance Sheet FY24-FY30E

(€mn, IT GAAP)	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Net Fixed Assets (incl. Goodwill)	81.4	78.2	75.3	75.5	72.4	69.3	65.9
Net Working Capital	91.0	106.4	117.4	127.8	137.8	148.0	158.4
Provisions	16.0	12.4	7.8	8.3	8.8	9.4	10.4
Total Capital Employed	156.4	172.2	184.9	195.0	201.3	207.8	213.9
Group Net Equity	89.4	114.0	142.8	174.0	208.6	246.6	287.9
NFP [i.e. Net Debt (-) Cash (+)]	-67.0	-58.2	-42.1	-20.9	7.3	38.8	74.0

Source: Reway Group, Value Track Analysis

Reway Group: Cash Flow Statement FY24-FY30E

(€mn, IT GAAP)	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
EBITDA	42.6	52.5	58.5	64.9	70.2	75.4	80.7
Δ NWC	-12.4	-15.4	-11.0	-10.3	-10.0	-10.2	-10.4
Capex (excl. Financial Inv.)	-5.2	-7.7	-8.4	-9.1	-9.8	-10.6	-11.3
Δ Provisions	-12.1	-3.6	-4.6	0.5	0.5	0.6	1.0
OpFCF b.t.	13.0	25.8	34.4	45.9	50.8	55.2	60.0
<i>As a % of EBITDA</i>	<i>30.5%</i>	<i>49.1%</i>	<i>58.9%</i>	<i>70.8%</i>	<i>72.5%</i>	<i>73.2%</i>	<i>74.3%</i>
Cash Taxes	-10.6	-12.7	-14.5	-18.0	-19.7	-21.5	-23.1
OpFCF a.t.	2.4	13.1	19.9	27.9	31.1	33.8	36.9
Others (incl. Financial Inv.)	-30.6	-0.1	0.0	-3.3	0.0	0.0	0.0
Net Financial Charges	-4.1	-4.2	-3.8	-3.4	-2.8	-2.3	-1.7
Δ Net Financial Position	-32.4	8.8	16.1	21.2	28.2	31.5	35.2
Net Financial Position	-67.0	-58.2	-42.1	-20.9	7.3	38.8	74.0

Source: Reway Group, Value Track Analysis

Valuation Update

Taking into account the P&L upgrade, a slight deterioration in working capital cycle, and a peer-group rerating, we set our **Fair Value at €10.2 per share** (vs U/R in August and €7.6 in April), based on an equal-weighted blend of our DCF (€10.3 p/s) and peer (€10.1 p/s) approaches.

We note that the stock is currently trading at ca. €12.0 p.s., up more than 70% in the latest 6 months driven by the mounting acquisition of new orders. We calculate that in order to have a fair value in line with current stock market price, a further ca. €9mn higher EBITDA is needed, i.e. some €30mn-€38mn additional annual revenue, with contract margin in the 25%-30% region.

Reway Group: Valuation Summary stock multiples at current market price and at fair value

Valuation Methodologies	Fair Equity Value (€mn)	Fair Equity Value p.s. (€)
DCF Model	398.2	10.3
Current Market Multiples	392.8	10.1
Fair Equity Value (avg.)	395.5	10.2

Source: Value Track Analysis

Reway Group: Stock multiples at current market price and at fair value

RWY Share Price	EV/Sales (x)		EV/EBITDA (x)		EV/EBIT (x)		P/E Adj. (x)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
€12.3	2.1	1.8	10.2	8.9	12.9	11.0	16.4	14.4
€10.2	1.8	1.6	8.6	7.5	10.9	9.3	13.6	11.9

Source: Value Track Analysis

Discounted Cash Flow Model

Our DCF-derived **fair Equity Value is €10.3 per share**. While a higher Net-Debt position is a headwind, it is offset by stronger near- to mid-term prospects, underpinned by a robust, visible backlog and improving execution, so that, we extend the explicit forecast horizon to 2032E (from 2030E previously). This sustained traction supports a terminal growth-rate uplift from 1.75% to 2.0%. We apply a roll-forward capital structure with time-varying discount rates — a WACC of 9.5% in 2026E, converging to a terminal 10.1% cost of equity.

Other key assumptions include:

- Unlevered beta: 0.95 (Damodaran; Construction/Engineering).
- Equity risk premium (Italy): 5.37% (Damodaran).
- Risk-free rate: 2.0% (aligned with medium-term inflation target).
- Company-specific premium: 3.0% (2.5% small-size; 0.5% client concentration).
- Pre-tax cost of debt: 5.0%, consistent with solid interest coverage despite higher leverage.

Reway Group: DCF Model with Rolling Capital Structure

(€mn, g=2%)	
PV of Future Cash-Flows 2026E-2032E	170.2
PV of Terminal Value 2032E	286.2
Fair Enterprise Value	456.4
Net Financial Position 2025E	-58.2
Fair Equity Value	398.2
Number of Shares (#)	38.8
Fair Equity Value per share (€)	10.3

Source: Value Track Analysis

Peers' Current Stock Multiples

We refresh our peer cluster to reflect the evolving domestic landscape and the latest disclosures — temporarily excluding Palingeo, which is currently under a tender offer by ICOP (OPA, completion pending) and whose last public update is >6 months old. The resulting domestic set (e.g., *ICOP*, *Edil San Felice*, *Ubaldi Costruzioni*; ~€240mn average market cap vs. ~€100mn in April) remains our primary reference.

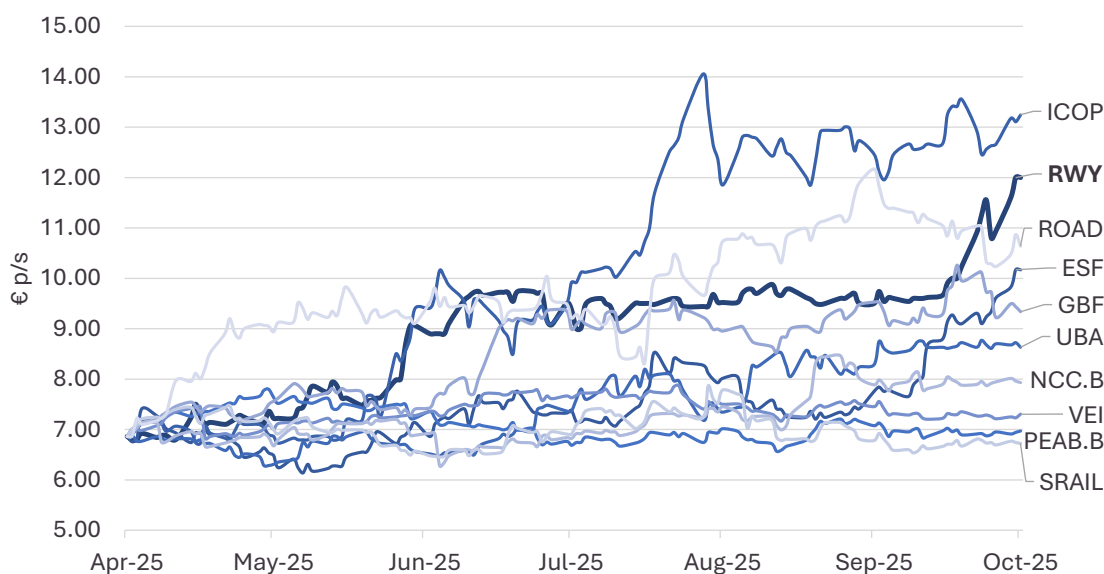
We anchor valuation on average EV/EBITDA FY25–26E and Adjusted P/E FY25–26E. On this basis, we derive a **fair Equity Value** of **€10.1 p/s**, implying 8.7x–7.2x EV/EBITDA FY25–26E and 15.2x–14.7x P/E Adj. FY25–26E. For context, in April 2025 our framework implied 6.0x–5.1x EV/EBITDA and 13.0x–10.5x P/E Adj., highlighting a strong sector rerating.

Reway Group: Peers' Stock Trading Multiples

Peers	Market Cap. (€mn)	EV/EBITDA (x)			EV/EBIT (x)			P/E Adj. (x)		
		FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Edil San Felice S.P.A.	110.5	9.0	7.2	5.9	10.4	8.4	6.8	13.7	11.6	10.0
I.CO.P. S.p.A.	582.0	9.3	6.5	5.7	13.4	9.0	7.7	18.9	12.5	11.3
Ubaldi Costruzioni SpA	36.1	3.4	2.7	2.0	3.5	2.8	2.2	6.3	5.9	5.5
Peab AB Class B	2,047.0	7.8	7.1	6.4	12.5	10.8	9.5	17.4	10.6	9.5
Veidekke ASA	1,693.0	6.0	5.5	5.2	9.9	8.8	8.1	14.7	13.5	12.9
Bilfinger SE	3,616.0	8.9	7.6	6.8	12.4	10.3	9.1	18.3	15.5	14.1
NCC AB Class B	1,742.1	6.8	6.2	5.8	11.5	9.9	9.0	14.0	12.2	11.3
Stadler Rail AG	2,143.3	7.8	6.0	4.9	13.9	9.4	7.2	18.3	10.8	8.6
Construction Partners, Inc. Class A	5,822.8	19.6	16.0	14.3	35.5	25.5	21.5	>50	40.1	31.9
Average	1,977.0	8.7	7.2	6.3	13.7	10.5	9.0	15.2	14.7	12.8
Median	1,742.1	7.8	6.5	5.8	12.4	9.4	8.1	16.1	12.2	11.3

Source: Factset, Value Track Analysis

Peers: 6M Price Performance (%), rebased to RWY stock



Source: FactSet, 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/Sales	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
Average	//	//	//	//	0.9	8.3

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

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