

ETI

Pipeline & Plant Infrastructure

Solid 1H, Timing Noise, Story Intact

ETI is a specialized infrastructure contractor focused on the construction, maintenance and repair of plants, facilities and pipelines for the transportation and treatment of fluids and gas, mainly serving the Oil&Gas and Water infrastructure sectors in Italy and abroad. Founded in 2000, ETI has built a strong execution track record in high-complexity welding, pipeline works, plant assembly, testing and commissioning.

1H26 Results in Line, Growth Path Confirmed

1H26 results confirmed ETI's growth trajectory, with strong top-line momentum and improving profitability: 1) Value of Production rose 60% YoY to €11.2mn, with ~47% of sales generated abroad; 2) EBITDA increased 84% YoY to €0.7mn and margin improved by 83bps to 6.4%, driven by better job margins and operating leverage; 3) Net Debt rose to €6.2mn (€5.3mn at FY25), reflecting WIP build-up on projects to be invoiced in 2H26 and continued investment in owned equipment; the figure does not yet include the ~€3.0mn IPO capital increase completed in July; 4) Backlog stood at ~€30mn, with execution through 2028.

Project Phasing Hits 2026E, Strong acceleration in 2027E

We confirm our 2027E-30E estimates, with VoP reaching ~€39mn by 2030E (15% CAGR) and EBITDA margin converging towards ~13%. We lower our 2026E figures as client permitting and procurement timing moves ~€3mn of revenues into 2027 with no impact on backlog value or margins: we now expect 2026E-27E VoP respectively at €20.0mn-€26.2mn, EBITDA at €1.4mn-€3.2mn (7.2%-12.1% margin), Net Debt at €3.3mn-€3.0mn.

Read on a 2-Year View, with International Optionality

Given the volatility typical of project-based businesses, milestone-based accounting and the Company's size, we believe ETI is best read on an at least 2-year rolling average. Key milestones over this horizon are the restart of the delayed contracts and the benefits of the IPO-funded owned fleet (~€550-600k already invested), both already embedded in our estimates. Beyond our numbers, ETI is exploring Côte d'Ivoire, where it has bid with a local partner on a major offshore Oil&Gas project; this is still exploratory and not in our estimates.

Fair Equity Value at €8.1 Per Share

At current stock mkt price ETI is trading at ca. 3.2x EV/EBITDA and 8.6x P/E 2027E, undemanding multiples that we believe do not reflect the Company's acceleration phase. That said, we update our Fair Equity Value to €8.1 per share (from €8.5), based on the average of: i) Peers' multiples, applying a 10% discount and leading to €6.5 p/s; and ii) Actualized Valuation at Maturity, leading to €9.6 p/s on 2030E financials. The adjustment is driven by the 2026E timing effect on the peers-based valuation, while our medium-term view is unchanged, as confirmed by our DCF cross-check, still pointing to up to €12.6 p/s. At our Fair Equity Value, ETI would trade at 4.9x EV/EBITDA and 15.2x P/E on 2027E figures. On a fully diluted basis, assuming the exercise of ~85-90% of the warrant pool, our Fair Value stands at €7.5 per share.

FAIR VALUE (€) **8.10**

MARKET PRICE (€) **4.60**

MARKET CAP (€mn) **7.11**

KEY FINANCIALS	FY25	FY26E	FY27E
VALUE OF PRODUCTION	19.4	20.0	26.2
GROSS PROFIT	9.2	9.4	14.7
EBITDA	1.3	1.4	3.2
EBIT	0.8	0.7	2.3
NET PROFIT	0.2	0.1	0.8
CAPITAL EMPLOYED	7.2	8.4	8.9
GROUP NET EQUITY	1.9	5.1	5.9
NET DEBT (-) / NET CASH (+)	-5.3	-3.3	-3.0

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

RATIOS AND MULTIPLES	FY25	FY26E	FY27E
EBITDA MARGIN (%)	6.9	7.2	12.1
NET MARGIN (%)	0.9	0.7	3.1
NET DEBT / EBITDA (x)	3.9	2.3	0.9
ROCE. b.t. (%)	10.9	7.8	26.2
EV / SALES (x)	0.6	0.5	0.4
EV / EBITDA (x)	9.2	7.3	3.2
EV / EBIT (x)	15.8	15.9	4.3
P / E (x)	40.9	52.2	8.6

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

STOCK DATA	
MARKET PRICE (€)	4.6
NOSH (mn)	1.5
MARKET CAP (€mn)	7.1
ENTERPRISE VALUE (€mn)	10.4
FREE FLOAT (%)*	35.3
AVG L30D VOLUME (#)	7,290
RIC / BBG	ETI.MI / ETI.IM
52 WK MIN - MAX (€)	4.60 - 6.00

(*) Including Invitalia

Description

Founded in 2000, ETI is a specialized contractor focused on the construction, maintenance and repair of plants, facilities and infrastructure for the transportation and treatment of fluids and gas, primarily serving the Oil&Gas and Water top-tier operators. The Company mainly operates in the Construction phase of EPC projects and is expanding into Procurement and commissioning/testing. Over the last few years, ETI has delivered strong top-line growth (from €1mn in 2015 to €19mn in 2025) supported by a visible backlog and increasing access to direct tenders and vendor lists of blue-chip clients. As of 30 June 2026, ETI boasts a ~€30mn backlog (visibility through 2028) and a workforce of ~170 people (September 2026).

Financial Highlights

KEY FINANCIALS (€mn)	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
Value of Production	19.4	20.0	26.2	33.2	36.0	39.2
y/y (%)	30.9%	2.9%	31.1%	26.6%	8.5%	8.8%
EBITDA	1.3	1.4	3.2	4.3	4.7	5.0
EBITDA Margin (%)	6.9%	7.2%	12.1%	12.9%	12.9%	12.9%
EBIT	0.8	0.7	2.3	3.3	3.6	3.8
EBIT Margin (%)	4.0%	3.3%	8.9%	9.8%	10.0%	9.8%
Net Profit	0.2	0.1	0.8	1.4	1.6	1.8
y/y (%)	68.6%	-21.5%	>100%	66.3%	19.4%	8.2%
Net Debt (-) Cash (+)	-5.3	-3.3	-3.0	-2.1	-1.7	-0.2
NFP / EBITDA (x)	3.9	2.3	0.9	0.5	0.4	0.0
Capex	1.0	1.8	1.4	0.7	0.7	0.8
OpFCF b.t.	-0.6	-0.5	1.8	2.8	2.4	3.5
OpFCF b.t. / EBITDA (%)	<0	<0	58.1%	64.8%	51.8%	69.6%

Source: ETI, Value Track Analysis

Investment Case

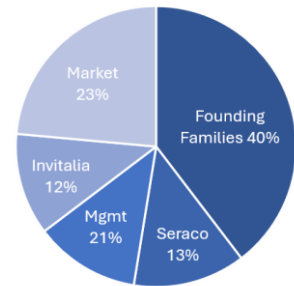
Strengths / Opportunities

- **Booming reference market:** gas / hydrogen / water networks require massive investment, and support a favorable long-term demand outlook;
- **Trusted execution platform:** 25+ years of experience, a blue-chip client base and a strong track record of successful project delivery;
- **High Revenue visibility:** the backlog fully covers FY26E revenues, provides partial coverage for FY27E and remains solid at ~€30mn;
- **Margins can improve fast:** clear improvement already identified, including fleet internalization, procurement savings and operating leverage.

Weaknesses / Risks

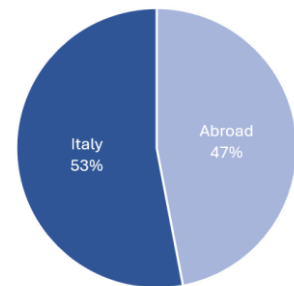
- **WC-intensive business model:** project ramp-ups may temporarily absorb cash and weigh on free cash flow;
- **Execution risk:** rapid growth and increasing contract size require effective operational and financial management.

SHAREHOLDER STRUCTURE



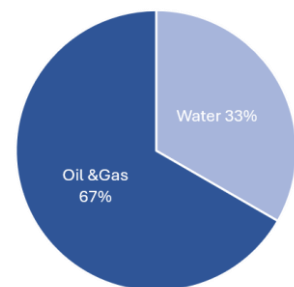
Source: ETI

REVENUES BY GEOGRAPHY 1H26



Source: ETI

REVENUES BY SEGMENT FY25*



Source: ETI, * Last Available

STOCK MULTIPLES @ FV	FY26E	FY27E
EV / SALES (x)	0.8	0.6
EV / EBITDA (x)	11.0	4.9
EV / EBIT (x)	24.1	6.7
EV / CAP. EMPLOYED	1.9	1.7
OpFCF Yield (%)	<0	11.8
P / E (x)	91.9	15.2
P / BV (x)	2.5	2.1
Dividend Yield (%)	0.0	0.0

Source: ETI

ETI at a Glance

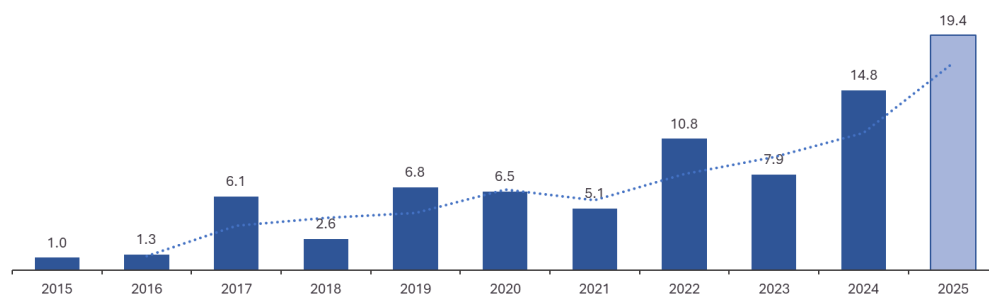
Niche Contractor with Execution-Critical Capabilities

Founded in 2000, ETI is a **specialist infrastructure contractor** focused on the **construction, maintenance and repair of plants and pipelines for fluid transportation**, with a core competence in **high-complexity welding**.

ETI is positioned in the execution of **critical and non-commoditized phases** of infrastructure projects, where technical complexity, safety constraints and regulatory compliance significantly limit competitive intensity.

Over the last few years, the company has delivered strong top-line growth (~54% CAGR₂₃₋₂₅ reaching €19.4m Value of Production in FY25), supported by a visible backlog and increasing access to direct tenders and vendor lists of blue-chip clients such as Snam and Italgas, as well as EPC contractors and industrial players.

Revenues Evolution 2015-2025 & Last 2Y Rolling Average



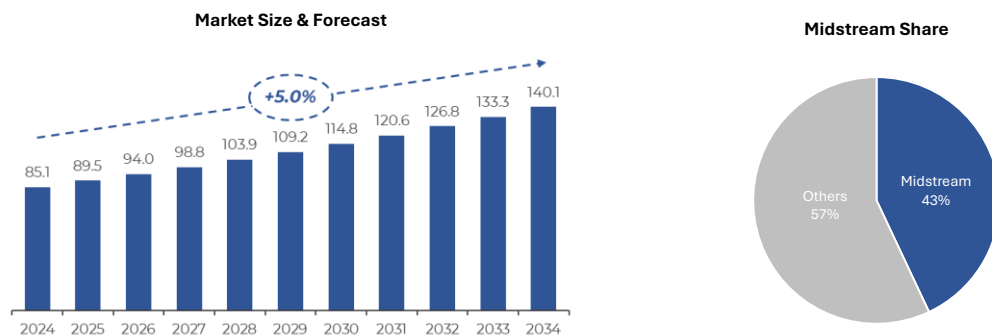
Source: ETI, Value Track analysis

Operating in Markets Entering an Unprecedented Capex Cycle

ETI is exposed to a **structurally supportive demand backdrop** driven by the ageing of Europe's energy and utility infrastructure and reinforced by policy-led investment programs driven by the EU Sovereignty theme:

1. In **Oil&Gas**, replacement and revamping needs, alongside H2 readiness, are underpinning a sustained midstream capex cycle, with Italy emerging as a **system-critical corridor** for South-to-North flows. ETI complements pipeline works with on-plot station/facility execution, enabling turnkey delivery across pipelines and plants—a capability not uniformly available across peers;

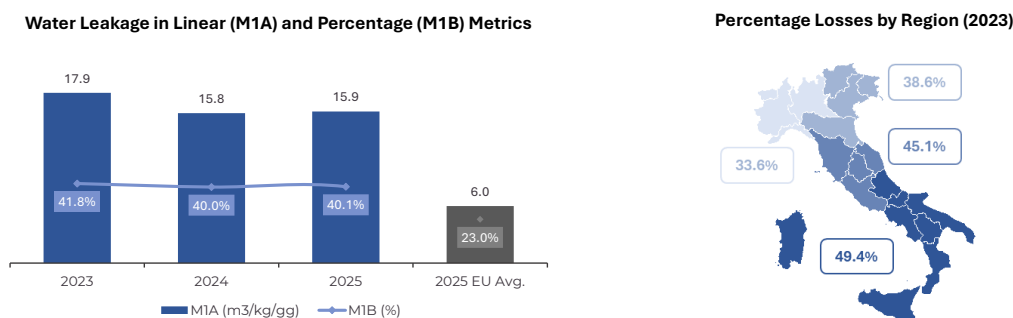
European Oil&Gas Infrastructure Market



Source: Towards Chemicals and Materials, Value Track analysis

2. In parallel, **Water infrastructure** is entering a multi-year upgrade phase: ~€40bn of investments are expected across **2018–2029**, supported by the **PNRR** and the **PNISSI**, with priorities focused on:
 - **Reducing water losses**, estimated at ~40% of distributed volumes in the last 3 years, versus a European average of roughly half. This gap reflects a combination of limited network digitalization (e.g., smart metering/monitoring), high fragmentation in service provision (ISTAT reports 1,800 water operators in 2025), and geographic dispersion that increases network complexity;
 - **Renewing aged infrastructure**, with ~60% of the distribution network older than 30 years and >25% older than 50 years. Execution priorities include the rollout of ~25,000 km of new drinking-water distribution networks, with an explicit focus on Southern Italy, alongside broader works aimed at supply security and structural resilience.

Losses in Water Distribution: Historical Trends and Comparisons



Source: ARERA Annual Reports (2023-2024-2025), Value Track analysis

These dynamics translate into **repeatable, execution-heavy work packages** (pipeline replacement, tie-ins, welding/NDT, testing & commissioning) that sit squarely within ETI's core competence.

Well Positioned to Capture the Market Opportunity

We deem ETI's optimal business positioning is underpinned by several tangible strengths:

1. **Focus on high-complexity works:** ETI is focused on execution-critical activities (pressurised pipelines, high-spec welding, testing & commissioning), where quality, traceability and schedule discipline act as natural barriers to entry and reduce pure price competition. ETI also delivers plant and facility works alongside pipelines—an ability not shared by all peers;
2. **Qualification-driven market access:** ETI's SOA, ISO and EN certifications, together with accreditations from leading utilities and industrial clients, act as a hard gate to public and regulated tenders, narrowing competition and enabling access to larger, more visible contracts;
3. **High-spec, predominantly in-house workforce:** A skilled and certified labor base allows ETI to self-perform sensitive phases of projects, limiting subcontracting leakage, improving execution control and supporting margin resilience over the cycle;
4. **Technical and reputational excellence:** Over 25+ years, ETI has built a track record that translates into vendor-list inclusion and repeat tender invitations from blue-chip principals, improving backlog visibility and reducing reliance on open-market bidding;
5. **Proven cross-border execution:** Proven ability to mobilize people, equipment and compliance processes across jurisdictions enables ETI to follow pan-European investment programs (revamping, corridors, hydrogen-ready upgrades) and diversify geographically.

Indeed, the company already **generates >40% of revenues abroad** and has delivered projects across **Germany, Austria, Poland, France, Switzerland, Czech Republic and Albania**, more recently

supporting export-linked industrial works connected to the US value chain (e.g., LNG mega modules for Louisiana).

On top of that, we note that ETI is assessing selective expansion in high-investment extra-European markets, with Sub-Saharan Africa offering material upside. Priority countries include **Angola, Côte d'Ivoire, Namibia, Nigeria and South Africa**, supported by large-scale capex programs across gas pipelines, offshore Oil&Gas, refining, industrial piping and hydrogen.

Geographic Footprint: Active Markets and Future Opportunities

Active Markets and Track Record



Future Expansion Opportunities in Sub-Saharan Africa



Source: ETI, Value Track analysis

IPO To Finance Growth, Scale the Platform and Access Larger Tickets

Pipeline and critical-infrastructure contracting is **structurally working-capital intensive**. Projects are cash-absorbing upfront (mobilization, labor, rentals, guarantees) and monetized over time through WIP/milestones, with retentions and bonding requirements acting as additional liquidity sinks. As a result, **balance-sheet capacity**—rather than technical capability alone—becomes the binding constraint to scale.

For ETI, strengthening the balance sheet is thus a prerequisite to:

- Compete for larger tickets;
- Reduce execution volatility;
- Progressively improve margin quality through a more efficient internal/external execution mix.

The recent IPO was, indeed, aimed at addressing these points. **€3mn in gross IPO proceeds were raised** and are expected to support ETI's transition from a growth-first contractor to a more scalable and better-capitalized execution platform, with an allocation across three main areas:

- 50% to fleet, machinery and equipment purchase to reduce rental intensity;
- 35% to bonding and working capital capacity to access larger tenders;
- 15% to procurement optimization to improve supplier terms and project margins.

1H26 Financial Results

At a Glance

1H26 confirmed ETI's growth trajectory, with Value of Production up 60.4% YoY to €11.2mn and EBITDA up 84.2% YoY to €0.7mn, as EBITDA margin improved to 6.4% (+83bps YoY) on better job margins and operating leverage. The half also showed a higher working capital absorption, mainly driven by the WIP build-up on projects to be invoiced in 2H26, with Net Debt rising to €6.2mn from €5.3mn at FY25. Backlog stood at ~€30.5mn at 1H26 (execution by 2028), although ~€3mn of revenues originally expected in 2026 have slipped into 2027 due to exogenous factors (permitting delays, regulatory and supply changes), with no impact on backlog margins. 1H26 figures do not yet include the ~€3.0mn IPO capital increase completed in July 2026, which is expected to fund owned operating assets, reduce reliance on rented equipment and support ETI's shift from volume growth to profitability.

1H26 Results Confirm the Growth Path: Three Key Takeaways

#1 - Value of Production Up 60% YoY, Supported by WIP Build-Up

In 1H26 ETI reached a **Value of Production of €11.2mn** (+60.4% YoY vs. €7.0mn in 1H25), already equal to ~58% of FY25 VoP (€19.4mn) and in continuity with the growth trajectory of recent years (~54% CAGR23-25). **Revenues from Sales rose to €9.6mn** (+46.6% YoY), while the change in WIP contributed €1.6mn (vs. €0.4mn in 1H25), reflecting progress on projects whose milestones will be invoiced in 2H26. International activity was a key contributor, with the Austrian and German permanent establishments generating ~€2.0mn of service revenues, and total revenues generated outside Italy reaching €4.5mn (~47% of sales). **Gross Profit increased to €5.3mn** (+46.5% YoY), with gross margin at 47.4% (-448bps YoY), mainly due to higher raw materials (11.4% of VoP vs. 8.0% in 1H25) and services incidence (26.8% vs. 24.8%), the latter reflecting travel and accommodation costs linked to foreign sites and advisory costs related to the IPO process. Rental costs remained broadly stable at 13.3% of VoP.

Value of Production and Gross Profit 1H25-1H26

(OIC, €mn)	1H25	% VoP	1H26	% VoP	1H26/1H25 YoY
Revenues from Sales	6.5	93.3%	9.6	85.3%	46.6%
Δ Work in Progress	0.4	5.1%	1.6	13.9%	338.4%
Other Revenues	0.1	1.6%	0.1	0.9%	-12.6%
Value of Production	7.0	100.0%	11.2	100.0%	60.4%
Op. Costs (ex. Labour)	-3.4	-48.2%	-5.9	-52.6%	75.4%
Gross Profit	3.6	51.8%	5.3	47.4%	46.5%

Source: ETI, Value Track analysis

#2 - EBITDA Up 84% YoY, Margin Expansion Driven by Operating Leverage

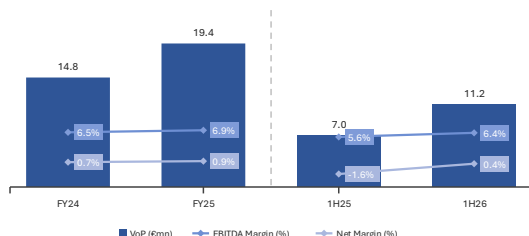
1H26 showed clear operating leverage, with labour costs growing well below the top line and more than offsetting higher raw materials and services intensity.

- **EBITDA at €0.7mn** in 1H26 (+84.2% YoY), with EBITDA margin up to 6.4% (+83bps YoY), thanks to better job margins and operating leverage. Personnel remains the largest cost item at 40.9% of VoP (46.3% in 1H25), with average headcount up to 137 (132 in FY25), followed by services (26.8%), third-party asset costs (13.3%) and raw materials (11.4%). Note that 1H tends to be the weaker half, as revenue phasing depends on project progress: in 2025 EBITDA margin moved from 5.6% in 1H to 6.9% for the full year;
- **EBIT at €0.4mn** in 1H26 (+260.4% YoY), with EBIT margin up to 3.6% (+203bps YoY), as D&A grew only 12.1% YoY to €0.3mn, well below the top line;

- **Net income positive at ~€42k** in 1H26, vs. a ~€112k loss in 1H25. Net financial charges were broadly stable at ~€121k (+5.8% YoY), while taxes rose to ~€247k (from ~€112k), implying a high tax burden, largely driven by IRAP given the Company's sizeable personnel cost base.

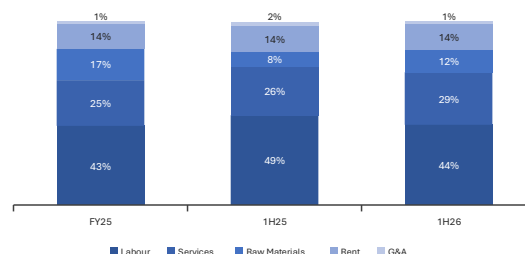
Operating Margins and Costs

VoP and Operating Margins



Source: ETI, Value Track Analysis

OpEx Structure



#3 – Net Debt Up on WIP Build-Up and Capex, Ahead of IPO Proceeds

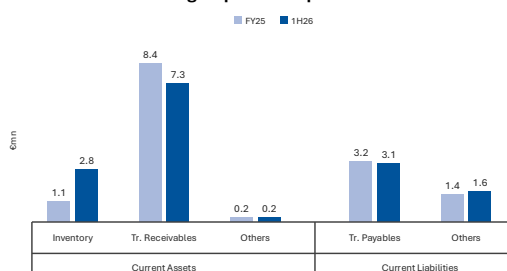
In 1H26 ETI continued to fund project execution through its balance sheet, with working capital absorption concentrated in WIP, while trade receivables improved despite business growth.

- **Net Working Capital increased to €5.6mn** from €5.1mn at FY25 (+9.7%), driven by inventories (mainly WIP) rising to €2.8mn from €1.1mn on projects to be invoiced in 2H26. On the positive side, trade receivables declined by ~€1.1mn to €7.3mn, while trade payables remained broadly stable at €3.1mn;
- **Net Fixed Assets rose to €2.8mn** from €2.5mn at FY25, with 1H26 capex of ~€0.6mn (o/w ~€0.3mn intangible), continuing the progressive internalization of operating capacity. Investments in owned machinery, vehicles and site equipment have since been stepped up using ~€550-600k of the IPO proceeds, with the aim of reducing reliance on rented equipment and retaining a higher share of project margins.

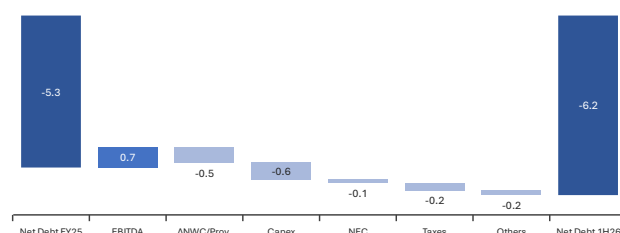
As a result, ETI's 1H26 cash flow profile is shaped by €0.7mn of EBITDA, offset by €0.5mn of NWC and provisions absorption, €0.6mn of capex, €0.4mn of taxes and net financial charges and ~€0.2mn of other items (incl. ~€0.1mn of dividends paid on FY25 results). This drove **Net Debt** from €5.3mn at FY25 to €6.2mn at 1H26 (+18.1%), a figure that does not yet reflect the ~€3.0mn IPO capital increase completed in July 2026.

Net Working Capital Composition and Net Debt Bridge

Net Working Capital Composition FY25-1H26



Net Debt Bridge FY25-1H26*



Source: ETI, Value Track Analysis, (*) Reversed view: cash inflows and outflows are shown with inverted signs.

1H25–1H26 Key Financials: P&L and Balance Sheet

P&L FY24-1H26

(OIC, €mn)	FY24	FY25	1H25	1H26	1H26/1H25 YoY
Value of Production	14.8	19.4	7.0	11.2	60.4%
Gross Profit	7.9	9.2	3.6	5.3	46.5%
EBITDA	1.0	1.3	0.4	0.7	84.2%
EBITDA Margin (%)	6.5%	6.9%	5.6%	6.4%	83bps
EBIT	0.6	0.8	0.1	0.4	260.4%
EBIT Margin (%)	3.9%	4.0%	1.6%	3.6%	203bps
Net Profit	0.1	0.2	-0.1	0.0	nm
Net Profit Margin (%)	0.7%	0.9%	-1.6%	0.4%	197bps

Source: ETI, Value Track analysis

Balance Sheet FY24-1H26

(OIC, €mn)	FY24	FY25	1H26	Abs. vs FY25	% vs FY25
Net Working Capital	4.2	5.1	5.6	0.5	9.7%
Net Fixed Assets	2.0	2.5	2.8	0.4	14.8%
Provisions	0.3	0.4	0.3	-0.1	-13.4%
Total Capital Employed	5.8	7.2	8.1	0.9	12.7%
Group Net Equity	1.8	1.9	1.9	0.0	-2.1%
NFP [i.e. Net Debt (-) Cash (+)]	-4.0	-5.3	-6.2	-1.0	18.1%

Source: ETI, Value Track analysis

2026E-30E Financial Forecasts

1H26 Update: Project Delays Shift ~€3mn of Revenues into 2027

After the end of the half, ETI flagged delays on some backlog contracts due to exogenous factors (client permitting delays, regulatory and procurement changes), shifting **~€3mn of revenues from 2026 into 2027**. The affected contracts remain in the ~€30.5mn backlog (execution by 2028), and management sees no impact on backlog margins. We therefore cut our 2026E VoP by ~10% to €20.0mn and EBITDA by ~29% to €1.4mn (7.2% margin), a smaller cut than the ~€3mn slippage as we expect other orders to partly offset it. Our 2027E-30E estimates are unchanged, while 2026E Net Debt is seen at €3.3mn (€3.5mn previously).

A Matter of Timing: Read ETI on a Multi-Year Basis

The magnitude of the 2026E revision reflects **three structural features of ETI's model**:

- **Accounting**, as contracts are recognized on a cost-to-cost/milestone basis, so costs on delayed sites are booked upfront while the related margin is recognized only once the client signs off the progress report (SAL);
- **The project-based nature of the business**, where revenue phasing depends on client authorizations and execution timing;
- **The Company's size**, whereby a few slipped orders can materially swing annual EBITDA. In our view, ETI should be assessed neither on a half-year nor on a single-year basis, but on a ~2-year rolling average: average 2025A-27E EBITDA margin stands at ~9%, and cumulative 2026E-27E EBITDA is only ~11% below our previous estimates.

IPO Proceeds: Deployment Already Under Way

Following the ~€3.0mn capital increase completed in July 2026, **ETI has already invested ~€550-600k of the proceeds in owned operating assets**, aimed at reducing reliance on external rentals, internalizing a larger share of execution capacity and supporting gross margin. We confirm the three operating levers identified at IPO, aimed at increasing execution capacity, unlocking larger tenders and improving project economics, which drive the margin expansion embedded in our 2027E-30E estimates. The main effects are expected to be twofold: 1) higher revenues, driven by additional bonding and working capital capacity; 2) higher margins, driven by lower rental intensity, procurement savings and operating leverage.

Proceeds Impact on Estimated Financials

#	Use of Proceeds	Allocation	Main Impact	Expected Benefit
1	Bonding and WC	35%	Access to larger tenders	€2mn Sales in FY27E; €4mn from FY28E
2	Fleet and equipment	50%	Lower rental costs	€440k/yr. on Rent / 1.5pp Gross Margin
3	Procurement optimisation	15%	Supplier discounts	€150k/yr. on COGS / 0.5pp Gross Margin
4	Operating leverage	n.m.	Fixed cost dilution	€150k/yr. on OpEx / 0.5pp EBITDA Margin

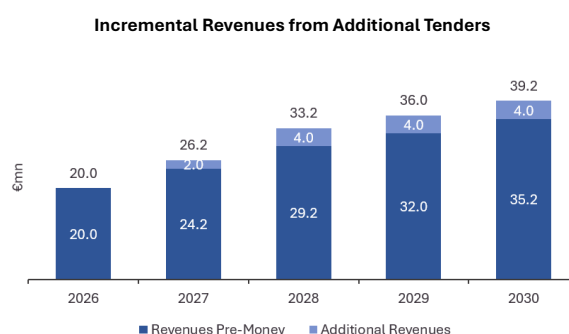
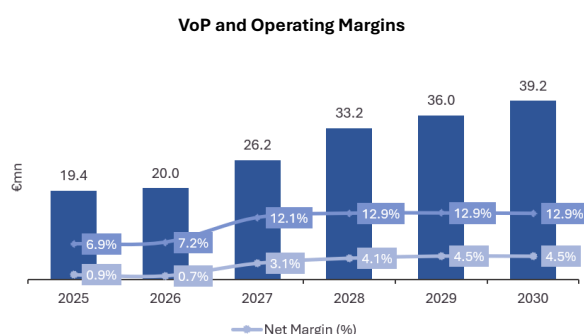
Source: Value Track analysis

P&L Forecasts: Double-Digit Growth and Progressive Margin Expansion

Looking beyond 2026E timing effects, we forecast:

- **Revenues**: 15.1% 2025A–30E CAGR (unchanged), with growth resuming from 2027E and VoP reaching ~€39mn in 2030E, supported by the existing backlog and additional tender capacity;
- **EBITDA Margin**: from ~7% in 2026E (a timing effect, with backlog margins unaffected) gradually converging towards ~13% by 2030E, i.e. ~€5mn EBITDA (more than 3.5x 2025A figure);
- **Net Profit**: ~€1.8mn in 2030E, up from ~€0.2mn in 2025, after D&A on the additional ~€1.5mn fleet capex deployed in 2026E-27E.

Profit & Loss Metrics

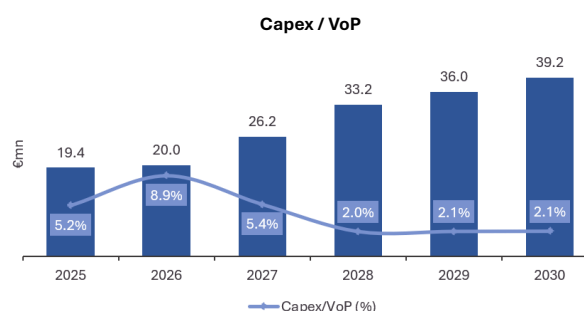
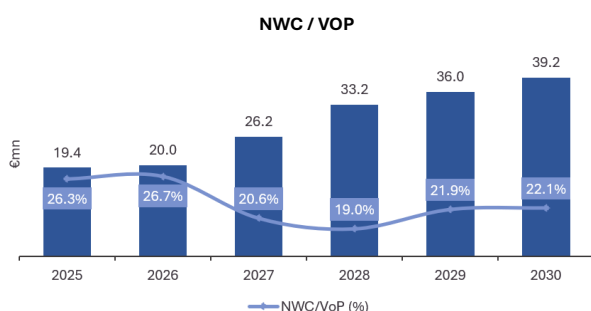


Source: ETI (historical financials), Value Track analysis (2026E-30E financial forecasts)

Balance Sheet: A Stronger Capital Base Supporting Growth

The IPO strengthens ETI's capital structure, giving it the flexibility to execute its backlog and bid for larger tenders. We expect **Net Debt to decrease to €3.3mn in 2026E**, after the investment phase, with NFP/EBITDA falling below 1.0x from 2027E. NWC should converge towards ~22% of VoP, while fixed assets peak during the investment phase before declining as capex normalizes.

NWC and Capex on VoP

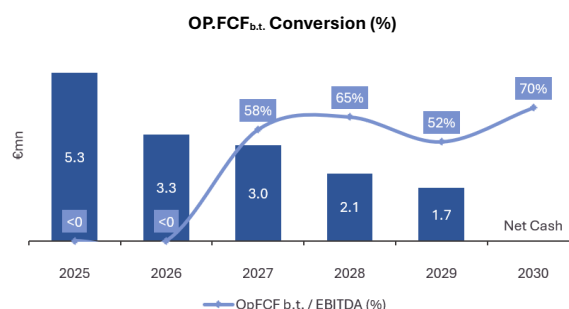
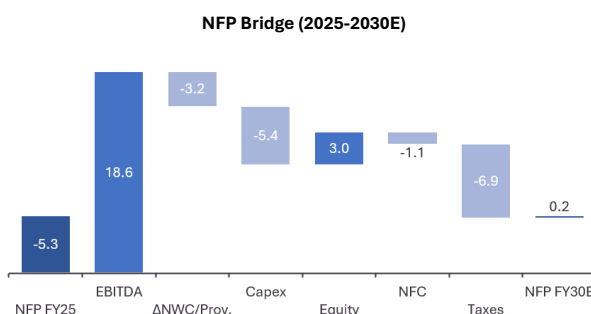


Source: ETI (historical financials), Value Track analysis (2026E-30E financial forecasts)

Cash Flow: Improving Conversion Following the IPO

Cash generation remains constrained in 2026E by ETI's working-capital-intensive model, the milestone-based timing of collections on delayed contracts and the IPO-funded investment phase in owned machinery, with negative OpFCF b.t. From 2027E, higher EBITDA, lower rental costs and normalizing capex should drive an improving cash conversion: **OpFCF b.t. at ~58% of EBITDA in 2027E and ~70% by 2030E**.

Net Financial Position Bridge and Cash Conversion



Source: ETI (historical financials), Value Track analysis (2026E-30E financial forecasts)

P&L FY25A-FY30E

(OIC, €mn)	FY25	FY26E	FY27E	FY28E	FY29E	FY30E	CAGR ₂₅₋₃₀
Value of Production	19.4	20.0	26.2	33.2	36.0	39.2	15.1%
Op.Costs (ex. Labour)	-10.3	-10.6	-11.5	-14.7	-16.0	-17.5	11.2%
Gross Profit	9.2	9.4	14.7	18.5	20.0	21.7	18.8%
<i>Gross Margin (%)</i>	<i>47.1%</i>	<i>47.2%</i>	<i>56.1%</i>	<i>55.6%</i>	<i>55.5%</i>	<i>55.3%</i>	<i>827bps</i>
Labour Costs	-7.8	-8.0	-11.5	-14.2	-15.3	-16.7	16.4%
EBITDA	1.3	1.4	3.2	4.3	4.7	5.0	30.4%
EBITDA Margin (%)	6.9%	7.2%	12.1%	12.9%	12.9%	12.9%	597bps
D&A, Provisions	-0.6	-0.8	-0.8	-1.0	-1.1	-1.2	16.9%
EBIT	0.8	0.7	2.3	3.3	3.6	3.8	37.3%
EBIT Margin (%)	4.0%	3.3%	8.9%	9.8%	10.0%	9.8%	573bps
Net Financial Charges	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-5.5%
Pre-Tax Profit	0.5	0.4	2.1	3.0	3.4	3.6	47.9%
Tax	-0.3	-0.3	-1.3	-1.7	-1.7	-1.8	40.4%
<i>Tax Rate (%)</i>	<i>66.1%</i>	<i>68.8%</i>	<i>60.9%</i>	<i>54.9%</i>	<i>51.6%</i>	<i>51.0%</i>	<i>-1510bps</i>
Net Profit	0.2	0.1	0.8	1.4	1.6	1.8	59.2%
<i>Net Profit Margin (%)</i>	<i>0.9%</i>	<i>0.7%</i>	<i>3.1%</i>	<i>4.1%</i>	<i>4.5%</i>	<i>4.5%</i>	<i>363bps</i>

Source: ETI (historical financials), Value Track analysis (2026E-30E financial forecasts)

Balance Sheet FY25A-FY30E

(OIC, €mn)	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
Total Capital Employed	7.2	8.4	8.9	9.4	10.6	10.9
Shareholders' Equity	1.9	5.1	5.9	7.3	8.9	10.7
Minorities' Equity	0.0	0.0	0.0	0.0	0.0	0.0
Group Net Equity	1.9	5.1	5.9	7.3	8.9	10.7
Net Debt (-) Cash (+)	-5.3	-3.3	-3.0	-2.1	-1.7	-0.2

Source: ETI (historical financials), Value Track analysis (2026E-30E financial forecasts)

Cash Flow Statement FY25A-FY30E

(OIC, €mn)	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
EBITDA	1.3	1.4	3.2	4.3	4.7	5.0
Δ Net Working Capital	-1.0	-0.2	-0.1	-0.9	-1.6	-0.8
Capex	-1.0	-1.8	-1.4	-0.7	-0.7	-0.8
Change in Provisions	0.1	0.0	0.1	0.1	0.1	0.1
OpFCF b.t.	-0.6	-0.5	1.8	2.8	2.4	3.5
<i>As a % of EBITDA</i>	<i>-42.0%</i>	<i>-37.9%</i>	<i>58.1%</i>	<i>64.8%</i>	<i>51.8%</i>	<i>69.6%</i>
Cash Taxes	-0.3	-0.3	-1.3	-1.7	-1.7	-1.8
OpFCF a.t.	-0.9	-0.8	0.6	1.1	0.7	1.7
Capital Injections	0.0	3.0	0.0	0.0	0.0	0.0
Other (incl. Fin. Investments)	0.0	0.0	0.0	0.0	0.0	0.0
Net Financial Charges	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2
Δ Net Financial Position	-1.2	1.9	0.3	0.9	0.5	1.5

Source: ETI (historical financials), Value Track analysis (2026E-30E financial forecasts)

Valuation

Valuation Summary

At current stock mkt price ETI is trading at ca. 3.2x EV/EBITDA and 8.6x P/E 2027E, undemanding multiples that we believe do not reflect the Company's acceleration phase.

That said, we update our **Fair Equity Value to €8.1 per share (from €8.5)**. The revision reflects the 2026E timing effect on the peers-based valuation, while our M/T trajectory, and hence the VaM and DCF outcomes, is broadly unchanged. At our Fair Equity Value, ETI would trade at 4.9x EV/EBITDA and 15.2x P/E on 2027E figures.

Our Fair Equity Value is the average of the first two methodologies:

- **Peers' trading multiples**, with a 10% discount for ETI's smaller scale, leading to €6.5 per share (€7.1 previously), mainly reflecting the 2026E timing effect;
- **Actualized Valuation at Maturity**, leading to €9.6 per share (€9.8 previously) on 2030E financials;
- **DCF**, used as a cross-check only, pointing to up to €12.6 per share (unchanged), i.e. further upside as ETI delivers on its business plan.

On a fully diluted basis, our Fair Equity Value would stand at €7.5 per share, with dilution contained below 7%. Our fully diluted scenario assumes the exercise of ~85–90% of the warrant pool (~237k new shares) at €6.325 per share, (~€1.5mn of proceeds), so is currently an "out of the money" scenario.

Valuation Summary

Methodology	Equity Value (€mn)	Equity Value (€ p/s)	F.D. Equity Value (€ p/s)	Notes
Peers' Multiples	10.0	6.5	6.3	50% weight
Actualized VaM	14.8	9.6	8.8	50% weight
DCF	19.4	12.6	11.7	Cross-check
Fair Equity Value (€)	12.5	8.1	7.5	

Source: Value Track analysis

Peers Analysis

Listed Companies Trading Multiples

We benchmark ETI against Italian infrastructure contractors and European specialist gas / fluid operators, using EV/Sales, EV/EBITDA, EV/EBIT and P/E. We use 2026E–27E as the reference period. Based on the selected listed peer set, average trading multiples stand at 7.4x and 6.1x EV/EBITDA and 14.5x and 11.9x P/E for 2026E and 2027E, respectively. We give equal weight to the two years, so as not to anchor the valuation on a single year affected by contract phasing.

Listed Comparables

Company	Mkt Cap	EV/Sales		EV/EBITDA		EV/EBIT		P/E	
Peers	(€mn)	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
ITA Infrastructure									
Ubaldi Costruzioni SpA	51.9	0.8	0.6	4.2	3.1	4.3	3.2	9.3	7.2
Edil San Felice S.p.A.	77.8	1.2	0.9	5.3	4.1	6.0	4.6	8.6	7.3
Next Geosolutions Europe SpA	756.0	2.2	1.8	8.4	6.8	10.1	8.2	11.8	10.0
Reway Group SpA	389.9	1.5	1.3	7.7	6.6	9.7	8.2	14.2	12.4
I.CO.P. S.p.A.	966.2	1.7	1.2	9.6	7.2	13.7	10.7	19.6	15.5
Average	448.4	1.5	1.2	7.1	5.6	8.8	7.0	12.7	10.5
Median	389.9	1.5	1.2	7.7	6.6	9.7	8.2	11.8	10.0
EU Gas & Fluid Operators									
Per Aarsleff Holding A/S	1,855.4	0.6	0.5	6.1	5.3	11.1	9.3	14.0	12.1
Energy Services of America	181.6	0.5	0.4	7.6	5.8	14.0	9.4	19.6	13.2
Kreate Group Plc	367.8	0.6	0.6	9.2	8.2	12.7	11.3	16.3	14.6
Consti Oyj	99.2	0.3	0.3	7.7	6.1	10.6	8.2	14.2	11.0
GRK Infra Plc	1,131.2	1.0	0.8	8.1	7.5	10.5	9.6	17.1	15.7
Average	727.0	0.6	0.5	7.8	6.6	11.8	9.6	16.2	13.3
Median	367.8	0.6	0.5	7.7	6.1	11.1	9.4	16.3	13.2
Average	587.7	1.0	0.8	7.4	6.1	10.3	8.3	14.5	11.9
Median	378.9	0.9	0.7	7.7	6.3	10.5	8.7	14.2	12.2

Source: Value Track analysis, FactSet

Valuation outcome

We apply a 10% discount to peers to reflect ETI's smaller scale, limited liquidity and working-capital intensity, now that the listing is completed and the deployment of IPO proceeds has started. A wider discount would double-count the limitations already embedded in 2026E figures. On a 50/50 blend of 2026E and 2027E multiples (€4.2 and €8.8 per share, respectively), we obtain a Fair Equity Value of €6.5 per share.

Multiples-Based Valuation, FY26E-27E

(€mn, x, OIC)	EV/Sales		EV/EBITDA		EV/EBIT		P/E	
	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
Fair Multiples (x)	1.0	0.8	7.4	6.1	10.3	8.3	14.5	11.9
Fair Multiples @ 10% discount (x)	0.9	0.8	6.7	5.5	9.2	7.4	13.0	10.7
Fair Enterprise Value (€mn)	18.5	19.9	9.6	17.3	6.1	17.4	--	--
NFP [Net Debt (-) Cash (+)](€mn)	-3.3	-3.0	-3.3	-3.0	-3.3	-3.0	--	--
Fair Equity Value (€mn)	15.2	16.9	6.3	14.3	2.8	14.4	1.8	8.8
Fair Equity Value per share (€)	9.8	10.9	4.1	9.3	1.8	9.3	1.1	5.7
Avg. Fair Equity Value per share (€)	6.5							

Source: Value Track analysis, FactSet

Actualized Valuation at Maturity

We value ETI on its 2030E financials, applying a 4.95x–5.45x EV/EBITDA range and discounting the resulting equity value back to today at a 15% hurdle rate.

This exercise would result in a €9.6 Fair Equity Value per share (€14.8mn Fair Equity Value).

Actualized Valuation at Maturity (2030E)

(€mn, OIC)	2030E Low	2030E High
Fair EV/EBITDA @ Maturity (x)	4.95x	5.45x
EBITDA 2030E	5.0	5.0
Enterprise Value @ Maturity	24.9	27.5
Net Debt (-) Cash (+) 2030E	-0.2	-0.2
Equity Value @ Maturity	24.7	27.3
Equity Value Today @ 15% Hurdle Rate	14.1	15.6
Equity Value @ 15% Hurdle Rate per share (€)	9.1	10.1
Avg. Equity Value @ 15% Hurdle Rate per share (€)	9.6	

Source: Value Track analysis

Cross check - Discounted Cash Flow Model

As far as the DCF parameters are concerned, in our base case we would apply a 9.0% Rolling WACC or 9.1% fixed WACC assuming a 30% target D/(D + E) ratio.

WACC calculation would be based on the following assumptions:

- 2.0% Risk-Free Rate, in line with the long-term inflation target set by the ECB;
- 4.95% Equity Risk Premium (ERP) for the Italian market;
- 1.0 Unlevered Beta, usual conservative value for an Italian SME;
- 30% Target Capital Structure (Debt / (Debt + Equity));
- 2.5% Company Specific Additional Risk Premium, based on the Expanded CAPM approach, which we consider particularly appropriate when dealing with small to mid-sized companies.

At the current capital structure (D/(D+E) of 40%), the resulting Cost of Equity (Ke) would be 11.9%, compared with 11.1% under the target capital structure (D/(D+E) of 30%). Assuming a 4.0% spread over the 2.0% Risk-Free Rate, the pre-tax Cost of Debt would be 6.0%, equivalent to 4.6% after tax.

Our Terminal Value is derived using an EV/EBITDA multiple of 5.5x, below the peers' 2027E average of 6.1x.

DCF Model with Rolling WACC and Target WACC

(€mn, OIC)	Rolling WACC	Target WACC
PV of Future Cash-Flows 2027E-2035E	7.6	7.8
As a % of Enterprise Value	34%	34%
PV of Terminal Value 2035E @5.5x EV/EBITDA	14.8	15.3
Enterprise Value	22.5	23.0
Net Fin. Position 2026E	-3.3	-3.3
Equity Value (€mn)	19.1	19.7
Equity Value Per Share (€)	12.4	12.7
Average Equity Value Per Share (€)	12.6	

Source: Value Track analysis

Sensitivity of DCF model @ Target Capital Structure

		TV/EBITDA				
		4.5x	5.0x	5.5x	6.0x	6.5x
WACC (%)	8.6%	11.4	12.4	13.3	14.2	15.2
	8.9%	11.2	12.1	13.0	13.9	14.8
	9.1%	10.9	11.8	12.7	13.6	14.5
	9.4%	10.7	11.6	12.5	13.4	14.2
	9.6%	10.5	11.4	12.2	13.1	13.9

Source: Value Track Analysis

Appendix - IPO Details and New Shareholding Structure

€3.0mn Capital Raise Through the IPO

Following the IPO, ETI maintains an appropriately **balanced governance model**, combining the long-term alignment of a partly family-rooted ownership with a more institutional set-up, where meaningful decision-making space is also held by (1) the management team and (2) an external financial investor. The IPO consisted entirely of a primary capital increase, with 546,000 newly issued shares placed at €5.50 per share, including the full exercise of the greenshoe option. The transaction raised approximately **€3.0mn in gross proceeds** and implied **pre- and post-money equity values of €5.5mn and €8.5mn**, respectively. Following the offering, pre-IPO shareholders retained a combined 64.7% stake. The founding families remain ETI's largest shareholder group, with an aggregate 39.6% interest, while management retains a meaningful 12.1% stake and Seraco continues to act as a stable financial partner with 12.9%. The **Free-Float is 35.3%**, comprising **Invitalia's 11.8%** anchor investment and a 23.6% market free float.

Up to €1.7mn of Additional Funding from Warrants

IPO investors received, free of charge, one warrant for every two shares subscribed, plus an additional warrant for every two IPO shares retained for 12 months.

- **Exercise ratio:** 2 warrants for 1 new ETI share;
- **Exercise price:** €6.325 per share, a 15% premium to the IPO price;
- **Exercise windows:** five periods between July 2027 and July 2029.

Full exercise would generate approximately €1.7mn of additional equity funding through the issuance of up to **273,000 new shares**.

PAS Provide Downside Protection to IPO Investors

As part of the IPO, 454k shares held by pre-IPO shareholders were converted into Performance Shares (PAS), split into two tranches:

- **2027 PAS:** no conversion below €1.8mn Adjusted EBITDA, progressive conversion between €1.8mn and €2.0mn, and full conversion from €2.0mn;
- **2028 PAS:** no conversion below €2.0mn Adjusted EBITDA, progressive conversion between €2.0mn and €2.3mn, and full conversion from €2.3mn;
- **Leverage condition:** NFP/Adjusted EBITDA must not exceed 3.0x in each reference year.

The mechanism protects IPO investors in the event of underperformance by reducing the number of shares ultimately retained by pre-IPO shareholders. However, the full-conversion thresholds remain comfortably below our estimates, implying limited execution risk

Shareholding Structure – Post-IPO (including Greenshoe Exercise)

Shareholder	Ordinary Sh.	PAS.	% on Share Capital
Immobiliare FB S.r.l.	218,182	181,818	25.87%
Italia Salinaro	115,909	96,591	13.75%
Seraco S.r.l.	109,091	90,909	12.94%
Cristian Fresolone	54,546	45,454	6.47%
Lorenzo Casadei	40,909	34,091	4.85%
Alfredo Sisinni	6,818	5,682	0.81%
Invitalia S.p.A.	181,750	–	11.76%
Market	364,250	–	23.56%
Total	1,091,455	454,545	100.00%

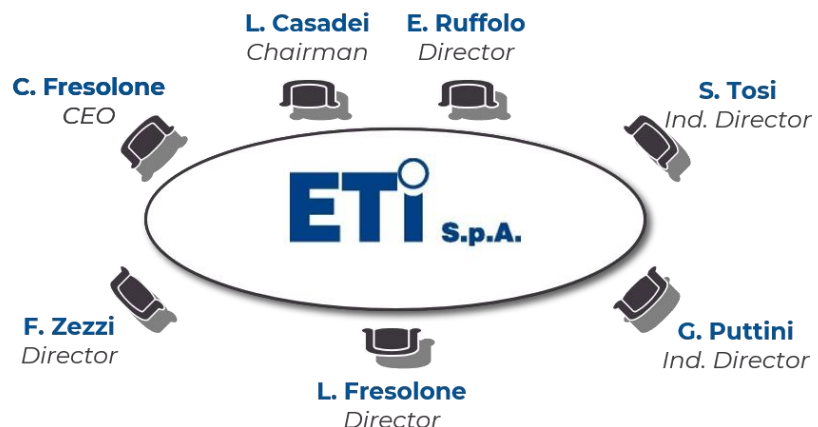
Source: ETI

A line-by-line breakdown of ETI's post-IPO shareholder base is as follows:

- **Immobiliare FB S.r.l. – 25.9%:** the real-estate holding vehicle attributable to the Fresolone family, specifically Lisa Fresolone, second-generation member and daughter of the founder, and Maria Grazia Bruschi, the founder's spouse;
- **Italia Salinaro – 13.8%:** the stake attributable to the Zezzi–Salinaro founding family. Italia Salinaro is the mother of Francesca Zezzi, an ETI Board member with responsibility for Human Resources;
- **Seraco S.r.l. – 12.9%:** ETI's reference financial investor and stable capital partner alongside the founding families and management;
- **Management shareholding – 12.1% in aggregate:** held by ETI's key executives, with Cristian Fresolone, CEO and Vice Chairman, owning approximately 6.5%; Lorenzo Casadei, Chairman and Head of Commercial, approximately 4.9%; and Alfredo Sisinni, Technical Director, approximately 0.8%;
- **Invitalia – 11.8%:** anchor investor in the IPO, having subscribed approximately €1.0mn, equal to one-third of the overall capital increase;
- **Other market investors – 23.5%:** shares placed with other investors as part of the IPO offering.

Overall, pre-IPO shareholders continue to control 64.7% of ETI's share capital, ensuring ownership continuity and alignment with the Company's long-term development. At the same time, the 35.3% free float introduces a broader institutional and market investor base and supports ETI's transition towards a more structured public-company governance framework.

ETI Board of Directors



Source: ETI

Well-structured management team with a strong track record in the sector

ETI's leadership is distinctly **operations-led**, with a track record built across the full execution chain, i.e. **tendering, procurement, site delivery and cash discipline**. The operating model is therefore centered on tight control of project economics (hours, subcontracting mix, materials/rentals) and the ability to deliver under high technical and compliance requirements typical of top-tier infrastructure principals.

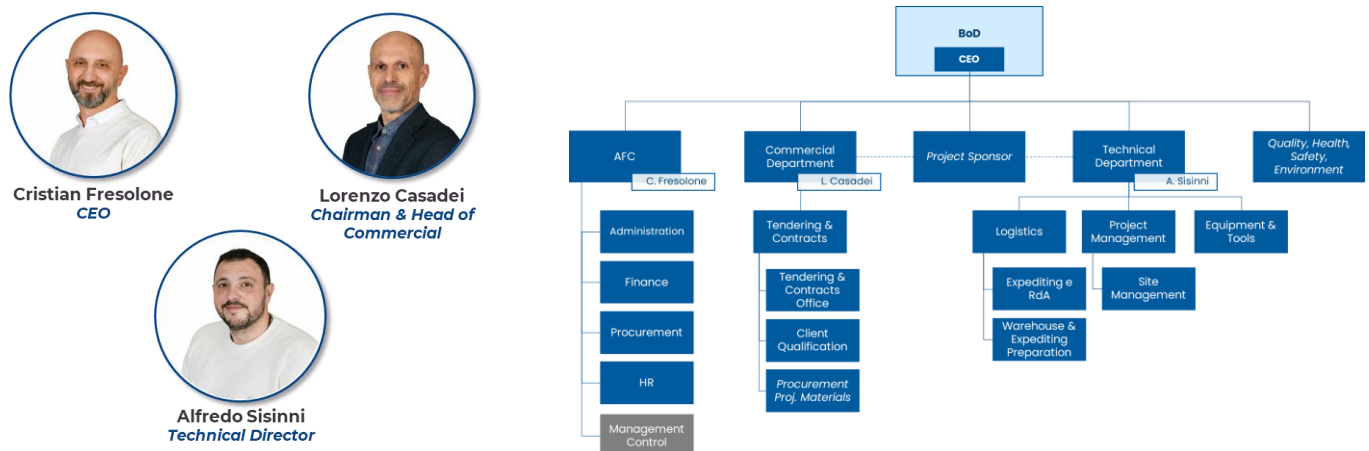
Each member brings a distinct and complementary contribution:

- **Lorenzo Casadei (Chairman, Head of Commercial)** leads origination and tendering. His background spans logistics/equipment management and bid preparation, with a hands-on approach to bid selection, cost estimating / target profitability and commercial development;
- **Cristian Fresolone (CEO & Vice Chairman)** combines executive leadership with oversight of the financial and organizational perimeter, with a strong focus on procurement, working capital and liquidity management—ensuring ETI can fund mobilization and bonding as contract size scales. He also oversees HR, critical given the centrality of labour;
- **Alfredo Sisinni (Technical Director)** anchors execution quality and delivery governance. With an engineering background and progressive site/project leadership experience, he oversees technical coordination, quality controls and project performance, particularly on high-criticality works where compliance and integrity are key margin protectors. He works closely with HR on manpower.

As for headcount, the number has scaled materially to support higher volumes, moving from 30 employees in 2021A to 138 in 2024A reaching **170 employees as of mid-2026**.

The workforce is structurally execution-heavy, while back-office and **managerial layers remain lean** implying that operational scalability will increasingly depend on retention/training of certified trades, and labor-cost discipline.

Management Team and Organizational Structure



Source: ETI, Value Track analysis

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