Milan, 02 April 2025

Italian Equity Research – FY24 Results

REWAY GROUP

OUTPERFORM

Sector: Industrials

Price: Eu6.94 - **Target: Eu8.90**

Order Intake Momentum Suggests Further Sustained Growth

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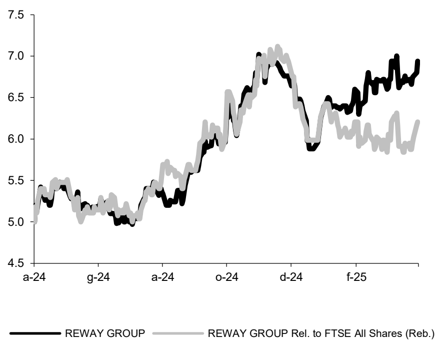
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 8.00 to 8.90
	2025E	**2026E**	**2027E**
Chg in Adj EPS	1.6%	0.6%	0.5%

Next Event

1Q25 KPI Out 5th May

REWAY GROUP - 12M Performance



Stock Data			
Reuters code:			RWY.MI
Bloomberg code:			RWY IM
Performance	**1M**	**3M**	**12M**
Absolute	3.3%	10.9%	38.8%
Relative	3.6%	-1.2%	28.5%
12M (H/L)			7.02/4.97
3M Average Volume (th):			11.05

Shareholder Data	
No. of Ord shares (mn):	39
Total no. of shares (mn):	39
Mkt Cap Ord (Eu mn):	267
Total Mkt Cap (Eu mn):	267
Mkt Float - Ord (Eu mn):	45
Mkt Float (in %):	16.8%
Main Shareholder:	
Luccini S.r.l.	64.9%

Balance Sheet Data	
Book Value (Eu mn):	112
BVPS (Eu):	2.91
P/BV:	2.4
Net Financial Position (Eu mn):	-61
Enterprise Value (Eu mn):	335

- **VoP and EBITDA well above 2H24 estimates; NWC up on intensified execution.** 2H24 results showcased exceptional top line performance, with the VoP soaring by 50% YoY, exceeding our expectations by 24%. This impressive growth was driven by the successful completion of key projects with a 31 December deadline, particularly those linked to the Jubilee, which required an acceleration of work. While the intensified project execution led to higher service and personnel costs, resulting in an EBITDA margin of 19.3% (compared to 21.0% expected), the overall financial performance remained highly robust. Indeed, the strong momentum translated into a remarkable increase of 42% in EBITDA to €22.4mn, surpassing our initial estimate of €19.8mn. On the financial position, strategic investments and expansion efforts contributed to a net debt of €67.0mn at YE24 (above our €5mn estimate), reflecting the company's commitment to growth. The increase, largely due to a rise in working capital (€91mn vs. €79mn in 2023) following project completions in 2H, also reflects the strategic acquisitions of Gema and Vega (€30.6mn), which further strengthened the market position.
- **Leading position and order intake momentum to sustain FY25 growth.** While the company has not provided a quantitative outlook, management is highly confident in its ability to sustain growth in 2025. A key driver of this positive outlook is the booming market for infrastructure refurbishment, with major operators increasing their investments in this sector. In this context, Reway stands out as a leading player, particularly in remedial work on bridges, viaducts, and tunnels across rail, motorway, and road networks, reinforcing its competitive advantage. Further strengthening this growth trajectory is the recent update to the Public Procurement Code, with price adjustment mechanisms designed to safeguard contractors, providing greater financial predictability. Additionally, the company enters 2025 with a significant backlog, which reached €1.04bn as at YE24, ensuring more than four years of turnover and offering a solid foundation for sustained expansion.
- **Change in estimates.** We are updating our estimates following FY24 results and considering the strong backlog and sustained order intake. We now expect revenue to be +5% higher in 2025/26/27 vs. prior estimates, while an increase in the incidence of OpEx, consistent with 2024 trends, drives a +4% EBITDA uplift over the next three years. After factoring in higher financial charges, we forecast adjusted net income to rise by +2%/+1% in 2025/26 (the EPS change differs slightly as we have taken the shares issued for the acquisition of Vega into account). For NFP, we assume a higher NWC impact, bringing it into line with the FY24 trend, leading to increased net debt.
- **OUTPERFORM confirmed; target up to €8.9 (from €8.0).** 2H24 results confirm RWY's strong momentum. With an order book exceeding €1bn (more than 4 years' revenue), the company is well positioned in a growing market. In our view, M&A will remain part of the story, key to overcoming limitations while leveraging its market leadership and expertise. Our valuation, based on DCF (70%) and peer comparison (30%) models, yields a target price of €8.9 after the rollover of the DCF and updated estimates, implying 28% upside and confirming our OUTPERFORM rating. At target, RWY would be trading at 8.4x EV/EBITDA and 12.5x P/E on FY25E estimates.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	132	232	250	275	302
EBITDA Adj (Eu mn)	26	43	50	56	62
Net Profit Adj (Eu mn)	15	22	27	31	36
EPS New Adj (Eu)	0.393	0.563	0.707	0.807	0.933
EPS Old Adj (Eu)	0.393	0.571	0.696	0.802	0.928
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	8.9	6.9	6.7	5.7	4.7
EV/EBIT Adj	10.6	9.0	8.6	7.1	5.8
P/E Adj	17.7	12.3	9.8	8.6	7.4
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	1.3	1.6	1.2	0.8	0.3

Intermonte

REWAY GROUP – Key Figures						
Profit & Loss (Eu mn)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Sales	111	132	232	250	275	302
EBITDA	20	26	43	50	56	62
EBIT	18	22	33	39	45	51
Financial Income (charges)	-0	-1	0	-5	-4	-3
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	18	21	33	34	40	47
Taxes	-6	-7	-11	-11	-13	-15
Tax rate	-34.2%	-31.9%	-32.6%	-32.0%	-32.0%	-32.0%
Minorities & Discontinued Operations	-4	-1	0	0	0	0
Net Profit	8	14	22	23	27	32
EBITDA Adj	20	26	43	50	56	62
EBIT Adj	18	22	33	39	45	51
Net Profit Adj	8	15	22	27	31	36
Per Share Data (Eu)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Total Shares Outstanding (mn) - Average		39	39	39	39	39
Total Shares Outstanding (mn) - Year End		39	39	39	39	39
EPS f.d		0.362	0.465	0.602	0.702	0.828
EPS Adj f.d		0.393	0.563	0.707	0.807	0.933
BVPS f.d		2.324	2.321	2.905	3.607	4.435
Dividend per Share ORD		0.000	0.000	0.000	0.000	0.000
Dividend per Share SAV		0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)		0.0%	0.0%	0.0%	0.0%	0.0%
Cash Flow (Eu mn)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Gross Cash Flow	9	18	16	22	39	44
Change in NWC	-1	-8	-12	-9	-12	-13
Capital Expenditure	-3	-8	-3	-7	-8	-9
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	4	2	0	6	19	22
Acquisitions, Divestments & Other Items	4	-52	-33	0	0	0
Dividends	-3	0	0	0	0	0
Equity Financing/Buy-back	0	20	0	0	0	0
Change in Net Financial Position	5	-31	-32	6	19	22
Balance Sheet (Eu mn)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Total Fixed Assets	8	74	81	78	75	72
Net Working Capital	21	79	91	100	112	125
Long term Liabilities	-2	-28	-16	-4	-4	-4
Net Capital Employed	28	124	156	174	183	193
Net Cash (Debt)	-4	-35	-67	-61	-43	-21
Group Equity	24	89	89	113	140	172
Minorities	8	20	0	0	0	0
Net Equity	16	70	89	112	140	172
Enterprise Value (Eu mn)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Average Mkt Cap		153	211	269	269	269
Adjustments (Associate & Minorities)	-9	-48	-16	-4	-4	-4
Net Cash (Debt)	-4	-35	-67	-61	-43	-21
Enterprise Value		235	294	335	316	294
Ratios (%)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
EBITDA Adj Margin	17.7%	20.0%	18.4%	19.9%	20.3%	20.6%
EBIT Adj Margin	16.2%	16.8%	14.0%	15.6%	16.2%	16.7%
Gearing - Debt/Equity	16.2%	38.7%	74.9%	54.4%	30.5%	12.0%
Interest Cover on EBIT	100.3	27.8	nm	8.2	10.0	15.2
Net Debt/EBITDA Adj	0.2	1.3	1.6	1.2	0.8	0.3
ROACE*		29.3%	23.3%	23.7%	25.0%	26.9%
ROE*		35.3%	27.3%	27.2%	24.9%	23.3%
EV/CE		3.1	2.1	2.0	1.8	1.6
EV/Sales		1.8	1.3	1.3	1.2	1.0
EV/EBITDA Adj		8.9	6.9	6.7	5.7	4.7
EV/EBIT Adj		10.6	9.0	8.6	7.1	5.8
Free Cash Flow Yield	1.4%	0.5%	0.2%	2.1%	6.8%	8.1%
Growth Rates (%)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Sales		19.7%	75.6%	7.6%	10.0%	10.0%
EBITDA Adj		35.0%	61.3%	16.9%	12.0%	11.9%
EBIT Adj		24.3%	46.9%	19.9%	13.8%	13.6%
Net Profit Adj		96.3%	43.2%	26.7%	14.2%	15.6%
EPS Adj			43.2%	25.7%	14.2%	15.6%
DPS						

*Excluding extraordinary items Source: Intermonte SIM estimates

Intermonte

FY24 Results

Reway Group: 2H24 results

(Eu mn)	1H23A	2H23A	2023A	1H24A	2H24A	2024A	2H24E	A/E
Value of production	**54.7**	**77.6**	**132.3**	**116.2**	**116.1**	**232.3**	**94.0**	**24%**
YoY growth			*20%*	*112%*	*50%*	*76%*	*21%*	
EBITDA	**10.6**	**15.8**	**26.4**	**20.3**	**22.4**	**42.6**	**19.8**	**13%**
EBITDA margin	19.4%	20.4%	20.0%	17.4%	19.3%	18.4%	21.0%	
YoY growth			*35%*	*90%*	*42%*	*61%*	*25%*	
D&A	-1.8	-2.5	-4.2	-4.8	-5.2	-10.0	-5.4	
EBIT	**8.9**	**13.4**	**22.2**	**15.4**	**17.2**	**32.6**	**14.4**	**19%**
EBIT margin	16.2%	17.2%	16.8%	13.3%	14.8%	14.0%	15.3%	
YoY growth			*24%*	*74%*	*29%*	*47%*	*8%*	
Net financials	-0.1	-0.6	-0.8	-1.7	-2.4	-4.1	-1.7	
Pre tax profit	**8.7**	**12.7**	**21.4**	**13.7**	**14.8**	**28.5**	**12.7**	**17%**
Taxes	-2.9	-3.9	-6.8	-5.2	-5.4	-10.6	-3.2	
Tax Rate	-33%	-31%	-32%	-38%	-37%	-37%	-26%	
Minorities	0.0	-0.6	-0.6	0.0	0.0	0.0	0.0	
Net Income	**5.8**	**8.1**	**13.9**	**8.5**	**9.4**	**17.9**	**9.4**	**0%**
YoY growth			*82%*	*46%*	*16%*	*28%*	*16%*	
Net Cash/(Debt)	**4.8**	**-34.6**	**-34.6**	**-62.8**	**-67.0**	**-67.0**	**-54.8**	**22%**

Source: Company data (A) and Intermonte SIM estimates (E).

Change in estimates

Reway – Change to Estimates

(Eu mn)	2025 E New	2026 E New	2027 E New	2025 E Old	2026 E Old	2027 E Old	2025 E Δ %	2026 E Δ %	2027 E Δ %
Net Revenues	**244.5**	**269.5**	**297.0**	**233.5**	**257.2**	**283.2**	**4.7%**	**4.8%**	**4.9%**
YoY growth	14%	10%	10%	*20%*	*10%*	*10%*			
EBITDA	**49.8**	**55.8**	**62.4**	**47.8**	**53.6**	**60.0**	**4.2%**	**4.1%**	**4.1%**
EBITDA margin	19.9%	20.3%	20.6%	*20.2%*	*20.6%*	*20.9%*	*-25 bps*	*-27 bps*	*-29 bps*
D&A	(10.7)	(11.3)	(11.9)	(10.5)	(10.8)	(11.1)			
EBIT	**39.1**	**44.5**	**50.6**	**37.3**	**42.8**	**48.9**	**4.7%**	**4.0%**	**3.4%**
EBIT margin	15.6%	16.2%	16.7%	*15.8%*	*16.4%*	*17.1%*	*-12 bps*	*-24 bps*	*-34 bps*
Net financials	(4.8)	(4.4)	(3.3)	(4.0)	(3.4)	(2.4)			
Pre tax profit	**34.3**	**40.1**	**47.2**	**33.4**	**39.4**	**46.6**	**2.9%**	**1.6%**	**1.5%**
Taxes	(11.0)	(12.8)	(15.1)	(10.7)	(12.6)	(14.9)			
Tax Rate	*-32%*	*-32%*	*-32%*	*-32.0%*	*-32.0%*	*-32.0%*			
Minorities	0.0	0.0	0.0	0.0	0.0	0.0			
Net Income	**23.4**	**27.3**	**32.1**	**22.7**	**26.8**	**31.7**	**2.9%**	**1.6%**	**1.5%**
Net Income Adjusted	**27.4**	**31.3**	**36.2**	**26.8**	**30.9**	**35.7**	**2.4%**	**1.4%**	**1.3%**
YoY growth	26.7%	14.2%	15.6%	21.8%	15.3%	15.7%			
Free Cash Flow	5.7	18.6	22.0	7.2	20.1	23.5			
Net Cash/(Debt)	**(61.3)**	**(42.7)**	**(20.7)**	**(47.6)**	**(27.5)**	**(4.0)**	**28.7%**	**55.3%**	**415.5%**

Source: Intermonte SIM

Backlog Evolution

Reway Group: Orders intake

Date	Activity	Segment	End Client	Amount (Eu mn)
04/04/23	Rehabilitation of viaducts and motorway tunnels	Highway	ASPI	123
28/12/23	Replacement of safety and integrated noise barriers along the designated routes	Highway	ASPI	35
15/01/24	Engineering and construction of a new tunnel located along the Amatrice-L'Aquila ridge road	Highway	ANAS	62
09/02/24	Structural rehabilitation of highway viaducts in Central Italy	Highway	Webuild	33
07/03/24	Ordinary maintenance of RFI's stations and buildings	Railway	RFI	84
04/06/24	Extraordinary maintenance of various client's buildings	Railway	RFI	48
06/09/24	Construction of the new interchange stop in the Pigneto neighbourhood of Rome	Railway	RFI	42
12/09/24	Rehabilitation of tunnels in Lazio	Highway	ANAS	54
16/09/24	Structural rehabilitation of bridges and viaducts in the roads of Lazio	Highway	ANAS	36
19/11/24	Upgrading and extraordinary maintenance of a bridge on the Milano-Genova railway route	Railway	RFI	39
29/11/24	Construction of acoustic mitigation activities in Abruzzo and extraordinary maintenance in Rome and Cagliari	Railway	RFI	56
11/02/25	Upgrade and modernization of the Bovisa railway junction	Railway	FERROVIENORD	110.5
27/02/25	Extraordinary maintenance work on tunnels and railway spaces	Railway	RFI	97
			Total	**820**
			o/w Highway	**343**
			o/w Railway	**477**

Source: Intermonte SIM on company data.

Financials

Reway Group: P&L

(Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Value of production	**110.5**	**132.3**	**232.3**	**250.0**	**275.0**	**302.5**
YoY growth	*20.5%*	*19.7%*	*75.6%*	*7.6%*	*10.0%*	*10.0%*
Raw Materials	(28.5)	(31.1)	(46.4)	(52.5)	(57.7)	(63.5)
% on VoP	-25.8%	-23.5%	-20.0%	-21.0%	-21.0%	-21.0%
YoY growth	*50.3%*	*8.9%*	*49.4%*	*13.1%*	*10.0%*	*10.0%*
Service costs	(32.2)	(36.5)	(81.7)	(81.2)	(89.4)	(98.3)
% on VoP	-29.1%	-27.6%	-35.2%	-32.5%	-32.5%	-32.5%
YoY growth	*17.8%*	*13.2%*	*124.2%*	*-0.6%*	*10.0%*	*10.0%*
Cost for use of third-party assets	(10.3)	(15.9)	(26.1)	(31.2)	(34.4)	(37.8)
% on VoP	-9.3%	-12.0%	-11.3%	-12.5%	-12.5%	-12.5%
YoY growth	*-1.7%*	*53.9%*	*64.9%*	*19.6%*	*10.0%*	*10.0%*
Personnel costs	(18.8)	(21.9)	(34.4)	(33.9)	(36.3)	(38.9)
% on VoP	-17.1%	-16.6%	-14.8%	-13.6%	-13.2%	-12.9%
YoY growth	*8.4%*	*16.4%*	*56.9%*	*-1.6%*	*7.1%*	*7.1%*
Others	(1.1)	(0.5)	(1.0)	(1.2)	(1.4)	(1.5)
% on VoP	-1.0%	-0.4%	-0.4%	-0.5%	-0.5%	-0.5%
YoY growth	*65.6%*	*-50.9%*	*84.7%*	*30.9%*	*10.0%*	*10.0%*
EBITDA	**19.6**	**26.4**	**42.6**	**49.8**	**55.8**	**62.4**
EBITDA margin	17.7%	20.0%	18.4%	19.9%	20.3%	20.6%
YoY growth	*15.9%*	*35.0%*	*61.3%*	*16.9%*	*12.0%*	*11.9%*
D&A	(1.5)	(4.2)	(10.0)	(10.7)	(11.3)	(11.9)
Provisions	(0.2)	0.0	0.0	0.0	0.0	0.0
EBIT	**17.9**	**22.2**	**32.6**	**39.1**	**44.5**	**50.6**
EBIT margin	16.2%	16.8%	14.0%	15.6%	16.2%	16.7%
YoY growth	*34.8%*	*24.3%*	*46.9%*	*19.9%*	*13.8%*	*13.6%*
Net financials	(0.2)	(0.8)	(4.1)	(4.8)	(4.4)	(3.3)
Pre-tax profit	**17.7**	**21.4**	**28.5**	**34.3**	**40.1**	**47.2**
Taxes	(6.1)	(6.8)	(10.6)	(11.0)	(12.8)	(15.1)
Tax Rate	-34.2%	-31.9%	-37.2%	-32.0%	-32.0%	-32.0%
Minorities	(4.0)	(0.6)	0.0	0.0	0.0	0.0
Net Income	**7.6**	**13.9**	**17.9**	**23.4**	**27.3**	**32.1**
YoY growth	*-11.2%*	*82.5%*	*28.3%*	*30.5%*	*16.7%*	*17.9%*
Adjustments (Goodwill amortisation)	0.1	1.7	6.0	6.0	6.0	6.0
Net Income Adjusted	**7.7**	**15.1**	**21.7**	**27.4**	**31.3**	**36.2**
YoY growth	*-10.4%*	*96.3%*	*43.2%*	*26.7%*	*14.2%*	*15.6%*

Source: Company data (A) and Intermonte SIM estimates (E).

Reway Group: Balance sheet

(Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Fixed Assets	8.0	73.5	81.4	78.1	75.1	72.3
Inventories	0.7	43.1	55.6	59.7	65.7	72.3
Trade Receivables	52.9	93.0	124.0	133.5	146.9	161.6
Trade Payables	(23.6)	(49.5)	(71.2)	(75.9)	(83.5)	(91.9)
Trade WC	**29.9**	**86.6**	**108.4**	**117.4**	**129.1**	**142.0**
Other Curr. Assets/ Liabilities	(8.7)	(8.1)	(17.4)	(17.4)	(17.4)	(17.4)
NWC	**21.2**	**78.6**	**91.0**	**100.0**	**111.7**	**124.6**
Provisions for risks	(0.1)	(25.2)	(12.9)	(1.0)	(1.0)	(1.0)
Employee Benefits	(1.5)	(2.9)	(3.0)	(3.0)	(3.0)	(3.0)
Net Capital Employed	**27.7**	**124.1**	**156.4**	**174.0**	**182.7**	**192.8**
Net Cash/(Debt)	**(3.9)**	**(34.6)**	**(67.0)**	**(61.3)**	**(42.7)**	**(20.7)**
Total Equity	**23.8**	**89.5**	**89.4**	**112.7**	**140.0**	**172.1**
Net Capital Employed (ave.)	34.4	75.9	140.2	165.2	178.4	187.8

Source: Company data (A) and Intermonte SIM estimates (E).

Reway Group: Cash Flow

(Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Net Income	7.6	13.9	17.9	23.4	27.3	32.1
D&A & provisions	1.7	4.2	10.0	10.7	11.3	11.9
Change in NWC	(1.5)	(8.4)	(12.1)	(9.0)	(11.7)	(12.9)
Delta funds	(0.8)	0.0	(12.2)	(11.9)	0.0	0.0
Operating Cash Flow	**7.1**	**9.8**	**3.6**	**13.2**	**26.8**	**31.1**
CapEx	(3.1)	(8.3)	(3.1)	(7.5)	(8.2)	(9.1)
Free Cash Flow	**3.9**	**1.6**	**0.4**	**5.7**	**18.6**	**22.0**
Acquisitions	0.0	(50.2)	(30.6)	0.0	0.0	0.0
Capital Increase/Buyback	0.0	20.0	0.0	0.0	0.0	0.0
Dividends	(3.3)	0.0	0.0	0.0	0.0	0.0
Others	4.3	(2.1)	(2.2)	0.0	0.0	0.0
Net Cash Flow	**4.9**	**(30.7)**	**(32.4)**	**5.7**	**18.6**	**22.0**
Initial Net Financial Position	(8.8)	(3.9)	(34.6)	(67.0)	(61.3)	(42.7)
Net Cash Flow	4.9	(30.7)	(32.4)	5.7	18.6	22.0
Final Net Financial Position	**(3.9)**	**(34.6)**	**(67.0)**	**(61.3)**	**(42.7)**	**(20.7)**

Source: Company data (A) and Intermonte SIM estimates (E).

Valuation

We confirm our OUTPERFORM recommendation, lifting the TP from Eu8.0 to Eu8.9, leaving 28% upside to the current market price. Our TP comes from the weighted average of a DCF model and a peer comparison, to which we assign a lower weight (30% vs. 70% for the DCF) given the limited relevance of the analysis due to the lack of truly comparable listed peers (see the relevant section). At our target price, RWY would trade at 8.4/7.2x EV/EBITDA and 12.5/10.9x PE based on our FY25E/26E estimates.

RWY – Valuation Summary

Method	Eu p.s.	Weight
DCF (WACC 9.5%, G 2.0%)	8.8	70%
Peers Comparison	9.0	30%
Target Price	**8.9**	
Current share price	6.9	
Upside/(downside)	**28%**	

Source: Intermonte SIM

RWY – Multiples @ current price

	2024A	2025E	2026E	2027E
PE	12.3 x	9.7 x	8.5 x	7.4 x
FCF yield	0.2%	2.1%	6.9%	8.2%
EV/SALES	1.5 x	1.4 x	1.2 x	1.0 x
EV/EBITDA	8.2 x	6.9 x	5.8 x	4.9 x
EV/EBIT	10.7 x	8.8 x	7.3 x	6.0 x

Source: Intermonte SIM

RWY – Multiples @ target price

	2024A	2025E	2026E	2027E
PE	15.8 x	12.5 x	10.9 x	9.5 x
FCF yield	0.1%	1.7%	5.4%	6.4%
EV/SALES	1.8 x	1.7 x	1.5 x	1.3 x
EV/EBITDA	10.0 x	8.4 x	7.2 x	6.1 x
EV/EBIT	13.0 x	10.7 x	9.0 x	7.5 x

Source: Intermonte SIM

DCF model

Our DCF valuation yields a fair equity value of Eu8.8 based on a WACC of 9.5% (risk-free rate at 4%, equity risk premium at 5.5%) and a 2% terminal growth rate.

RWY – DCF and sensitivity analysis

Discounted FCF 25-32	156.1
Terminal value	270.2
Total EV (with DCF)	**426.2**
NFP (YE24)	-67.0
Acquisitions	0.0
Treasury shares	0.0
Employee benefits	-3.0
Minorities & Adjustments	-12.9
Total EQUITY	**343.3**
N. of shares (mn)	38.8
Equity Value p.s. (Eu)	**8.8**
WACC	9.5%
Terminal growth	**2.0%**

WACC(%)	Terminal Growth 1.0%	1.5%	2.0%	2.5%	3.0%
8.5%	9.0	9.4	9.9	10.5	11.1
9.0%	8.6	8.9	9.3	9.8	10.4
9.5%	8.2	8.5	**8.8**	9.2	9.7
10.0%	7.8	8.1	8.4	8.8	9.2
10.5%	7.5	7.8	8.0	8.3	8.7

Source: Intermonte SIM

Peer Analysis

In our opinion, analysis of market multiples is of limited relevance as no players are truly comparable to Reway, because companies operating in road and/or railway maintenance are generally part of construction groups for which maintenance amounts to only a narrow slice of turnover (except for Edil San Felice, road maintenance, and Railcare, although these are the smallest firms in the peer group and only limited numbers of estimates are available).

RWY – Peers comparison

	Int. Est.	Multiple	EV	Net Debt	Other Adj.	Equity Value	NOSH	p/s
EBITDA 2025	49.8	**6.5 x**	323.8	61.3	4.0	**258.4**	38.8	6.7
EBITDA 2026	55.8	**5.9 x**	329.7	42.7	4.0	**283.0**	38.8	7.3
Net Income Adj. 2025	27.4	**16.2 x**				**445.4**	38.8	11.5
Net Income Adj. 2026	31.3	**13.1 x**				**410.8**	38.8	10.6
Average Peers						**349.4**	38.8	**9.0**

Source: Intermonte SIM

RWY – Peers comparison/Trading Multiples

Company name	Country	Mkt cap (Eu mn)	EV/Sales 2025	EV/Sales 2026	EV/EBITDA 2025	EV/EBITDA 2026	PE 2025	PE 2026
Reway Group SpA	**IT**	**206**	**1.4 x**	**1.2 x**	**6.7 x**	**5.7 x**	**9.8 x**	**8.6 x**
Edil San Felice S.P.A.	IT	82	1.3 x	1.1 x	5.3 x	4.8 x	7.9 x	7.2 x
Peab AB Class B	SE	1,849	0.5 x	0.5 x	7.8 x	6.8 x	12.6 x	10.6 x
Railcare Group AB	SE	61	1.6 x	1.3 x	6.0 x	4.7 x	23.1 x	14.6 x
Vossloh AG	DE	1,264	1.1 x	1.0 x	7.7 x	6.8 x	17.9 x	15.1 x
Veidekke ASA	NO	1,741	0.4 x	0.4 x	6.2 x	5.8 x	15.0 x	14.0 x
Construction Partners	US	3,139	1.9 x	1.6 x	13.3 x	11.3 x	35.1 x	26.4 x
NCC AB Class B	SE	1,748	0.3 x	0.3 x	6.3 x	6.0 x	12.9 x	12.2 x
Stadler Rail AG	CH	2,155	0.6 x	0.4 x	6.7 x	4.7 x	17.4 x	10.8 x
Median			**0.8 x**	**0.7 x**	**6.5 x**	**5.9 x**	**16.2 x**	**13.1 x**

Source: FactSet

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Reway in Brief

Company description

Reway Group is engaged in the motorway and railway infrastructure rehabilitation business. The Group's business is structured around five main specialisations: I) restoring bridges and viaducts; II) restoring tunnels; III) viaduct seismic adaptation; IV) installation of safety and sound-absorbing barriers; V) railway station maintenance. Thanks to the acquisition of Vega Engineering, the Group will also deal with engineering design of infrastructures.

Management

Chairman & CEO: Paolo Luccini
ViceChairman: Francesco Dell'Elmo
CFO: Federico Della Gatta

Next BoD renewal: 2025
BoD independent members: 1/7

Shareholders

Luccini S.r.l.	64.4%
Elocyn	10.9%
Patrizia Casillo	7.3%
Others subject to lock-up	0.8%
Indépendance AM	4.3%
Free Float	12.4%

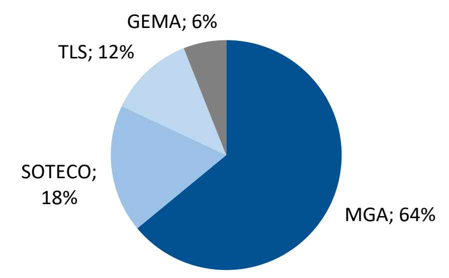
Strengths/Opportunities

- Wide range of authorisations to operate in reference segments, guaranteeing a major entry barrier for potential newcomers
- Solid financial structure
- High visibility for the next few years thanks to an order book exceeding Eu1bn
- Exposure to structural growth sectors thanks to an increased focus on road and railway safety
- Expansion into adjacent markets such as port activities
- Consolidation of geographical presence in areas of Italy that are currently not covered; entry into foreign markets

Weaknesses/Threats

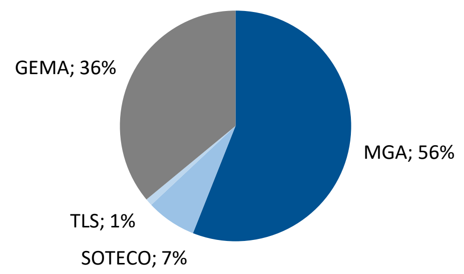
- Lack of geographical diversification, with 100% of revenues generated in Italy
- High customer concentration (in motorways, the top 2 clients account for 50% of turnover; in rail, the top 2 account for ~90%), intrinsic to the reference markets
- Long collection times for receivables
- Business with limited scalability due to lack of operating leverage
- Regulatory changes that may cause disruption in the award of new contracts

Value of Production Breakdown (2023A)



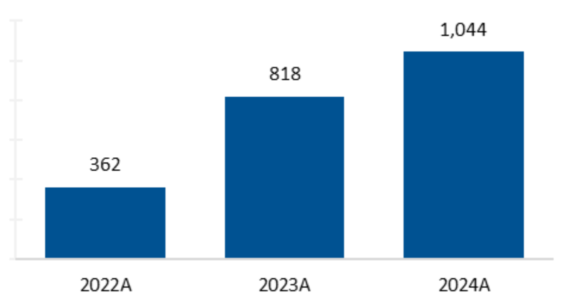
Source: Intermonte SIM on Company data

Backlog Breakdown (2023A)



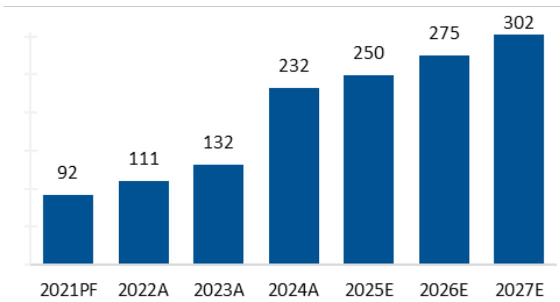
Source: Intermonte SIM on Company data

Backlog (Eu mn) evolution



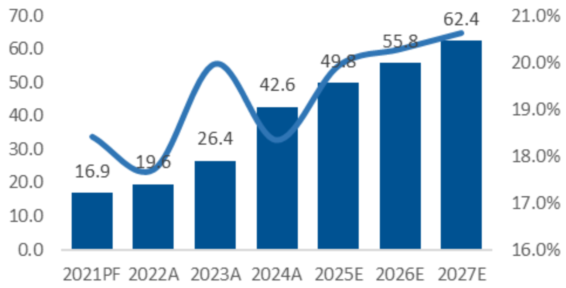
Source: Intermonte SIM on Company data

Value of Production (Eu mn) forecasts



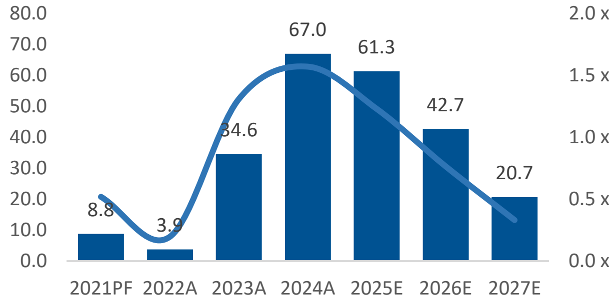
Source: Intermonte SIM (E) and Company data (A)

EBITDA (Eu mn, l) and EBITDA margin (%, r) forecasts



Source: Intermonte SIM (E) and Company data (A)

Net Debt (Eu mn, l) and Net Debt/EBITDA margin (x, r) forecasts



Source: Intermonte SIM (E) and Company data (A)

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	**REWAY GROUP**		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	8.90	Previous Target (Eu):	8.00
Current Price (Eu):	6.94	Previous Price (Eu):	6.58
Date of report:	02/04/2025	Date of last report:	28/10/2024

Intermonte

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&PMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and – 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between –10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 31 March 2025 Intermonte's Research Department covered 131 companies.

As of today Intermonte's distribution of stock ratings is as follows:

BUY:	32.59 %
OUTPERFORM:	37.78 %
NEUTRAL:	29.63 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

As at 31 March 2025 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (74 in total) is as follows:

BUY:	52.70 %
OUTPERFORM:	29.73 %
NEUTRAL:	17.57 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Intermonte acts as ECM advisor to Banca Ifis in the offer promoted on illimity Bank

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Emittente	%	Long/Short

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Further information is available