REWAY GROUP

OUTPERFORM

Sector: Industrials

Price: Eu9.60 - **Target: Eu11.20**

1H Results and Sizeable Backlog Support Further Sustainable Growth

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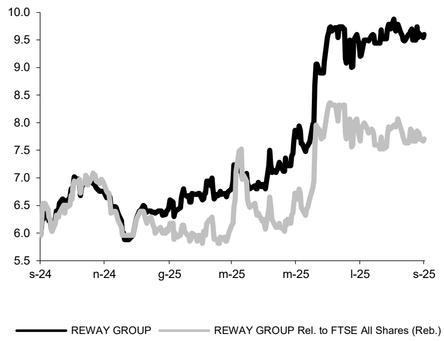
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 8.90 to 11.20
	2025E	**2026E**	**2027E**
Chg in Adj EPS	4.0%	4.0%	3.3%

Next Event
3Q25 KPI Out 31 October

REWAY GROUP - 12M Performance



Stock Data			
Reuters code:			RWY.MI
Bloomberg code:			RWY IM
Performance	**1M**	**3M**	**12M**
Absolute	-1.0%	0.4%	61.1%
Relative	-2.2%	-6.8%	36.2%
12M (H/L)			9.88/5.88
3M Average Volume (th):			5.26

Shareholder Data	
No. of Ord shares (mn):	39
Total no. of shares (mn):	39
Mkt Cap Ord (Eu mn):	370
Total Mkt Cap (Eu mn):	370
Mkt Float - Ord (Eu mn):	62
Mkt Float (in %):	16.8%
Main Shareholder:	
Luccini S.r.l.	64.9%

Balance Sheet Data	
Book Value (Eu mn):	114
BVPS (Eu):	2.94
P/BV:	3.3
Net Financial Position (Eu mn):	-61
Enterprise Value (Eu mn):	438

- **1H25 showed double-digit growth and higher profitability.** Results confirmed the positive trend trailed by the preliminary KPIs released on 31 July, with VoP up 16% YoY to €134.7mn. Growth was driven primarily by road and motorway maintenance (€95.1mn, +8% YoY), followed by railway maintenance (€34.5mn, +17% YoY) and engineering design (€3.0mn from subsidiary Vega, acquired at YE24). Profitability improved due to higher volumes and a better mix, with EBITDA rising 30% YoY to €26.2mn, implying a margin of 19.5%, +1.9pp vs 1H24 and marking a return to the levels witnessed two years ago (1H23 EBITDA margin 19.4%). Net profit reached €11.8mn, up 40% YoY, after lower D&A, better-than-expected net financial charges and slightly higher taxes. Operating cash flow generation was positive at €1.5mn (€0.7mn in FY24) despite cash-outs related to the partial earn-out payment for GEMA (€7.3mn). Net debt stood at of €65.8mn as at 30 June, slightly better than in the KPI release, and improved vs €67.0mn as at YE24.
- **Sizeable €1.16bn order backlog...** As at 30 June, RWY's backlog was €1,157mn. In 1H25, the Group secured €245mn of new contracts across road and motorway renovation and maintenance, as well as railway network works. The period also marked RWY's entry to the port railway maintenance segment, following the award of two contracts by the Port System Authority of the Eastern Ligurian Sea.
- **…enhances visibility on future growth.** The notable backlog translates into a solid book-to-bill ratio of ~1.8x, providing revenue visibility for over four years and supporting a sustainable growth trajectory. This is further supported by a dynamic infrastructure market, underpinned by long-term investment plans from major operators. In light of the Group's significant growth, management is committed to strengthening the workforce and further structuring company management.
- **Change in estimates.** We are revising our estimates upward following stronger-than-expected 1H25 value of production, which exceeded our anticipated trajectory for the year. We now expect VoP to reach €257.0mn in FY25 (+11% YoY and vs previous €250.0mn). This revision translates into higher EBITDA, now projected at €52.2mn (previously €49.8mn), and adj. net income of €28.5mn (+32% YoY, +4% vs previous est.), assuming slightly lower net financial income and marginally higher taxes. The stronger 2025 base leads to upward revisions for FY26 and FY27, reflecting the continuation of growth momentum in the coming years.
- **OUTPERFORM confirmed, TP €11.2 (from €8.9).** 1H25 results highlight RWY's strong momentum. The company is a leading player in the renovation of bridges, viaducts, and tunnels in Italy, operating in an attractive market with strong growth prospects and high entry barriers. With an order book above €1.1bn (>4 years of revenues), RWY is well positioned to capture opportunities. Management's commitment to further structurisation is an additional upside. M&A is expected to remain a strategic lever to overcome constraints while leveraging the company's expertise. Our valuation, combining DCF (70%) and peer multiples (30%), yields a target price of €11.2, implying 17% upside and supporting our OUTPERFORM rating. At target, RWY would trade at 8.3x EV/EBITDA and 13.2x P/E on FY26E.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	132	232	257	283	311
EBITDA Adj (Eu mn)	26	43	52	59	65
Net Profit Adj (Eu mn)	15	22	29	33	37
EPS New Adj (Eu)	0.393	0.563	0.735	0.840	0.964
EPS Old Adj (Eu)	0.393	0.563	0.707	0.807	0.933
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	8.9	6.9	8.4	7.2	6.1
EV/EBIT Adj	10.6	9.0	10.6	8.9	7.4
P/E Adj	24.4	17.1	13.1	11.4	10.0
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	1.3	1.6	1.2	0.7	0.3

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REWAY GROUP – Key Figures						
Profit & Loss (Eu mn)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Sales	111	132	232	257	283	311
EBITDA	20	26	43	52	59	65
EBIT	18	22	33	41	47	53
Financial Income (charges)	-0	-1	0	-4	-4	-3
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	18	21	33	37	43	51
Taxes	-6	-7	-11	-13	-15	-17
Tax rate	-34.2%	-31.9%	-32.6%	-34.0%	-34.0%	-34.0%
Minorities & Discontinued Operations	-4	-1	0	0	0	0
Net Profit	8	14	22	25	29	33
EBITDA Adj	20	26	43	52	59	65
EBIT Adj	18	22	33	41	47	53
Net Profit Adj	8	15	22	29	33	37
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	0.633	0.738	0.862
EPS Adj f.d		0.393	0.563	0.735	0.840	0.964
BVPS f.d		2.324	2.321	2.936	3.674	4.536
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	23	40	45
Change in NWC	-1	-8	-12	-10	-12	-14
Capital Expenditure	-3	-8	-3	-8	-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	73
Net Working Capital	21	79	91	101	113	127
Long term Liabilities	-2	-28	-16	-4	-4	-4
Net Capital Employed	28	124	156	175	184	196
Net Cash (Debt)	-4	-35	-67	-61	-42	-20
Group Equity	24	89	89	114	143	176
Minorities	8	20	0	0	0	0
Net Equity	16	70	89	114	142	176
Enterprise Value (Eu mn)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Average Mkt Cap		153	211	373	373	373
Adjustments (Associate & Minorities)	-9	-48	-16	-4	-4	-4
Net Cash (Debt)	-4	-35	-67	-61	-42	-20
Enterprise Value		235	294	438	419	396
Ratios (%)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
EBITDA Adj Margin	17.7%	20.0%	18.4%	20.3%	20.7%	21.0%
EBIT Adj Margin	16.2%	16.8%	14.0%	16.1%	16.7%	17.2%
Gearing - Debt/Equity	16.2%	38.7%	74.9%	53.4%	29.4%	11.1%
Interest Cover on EBIT	100.3	27.8	nm	9.8	12.4	19.7
Net Debt/EBITDA Adj	0.2	1.3	1.6	1.2	0.7	0.3
ROACE*		29.3%	23.3%	25.0%	26.3%	28.1%
ROE*		35.3%	27.3%	28.1%	25.5%	23.5%
EV/CE		3.1	2.1	2.6	2.3	2.1
EV/Sales		1.8	1.3	1.7	1.5	1.3
EV/EBITDA Adj		8.9	6.9	8.4	7.2	6.1
EV/EBIT Adj		10.6	9.0	10.6	8.9	7.4
Free Cash Flow Yield	1.0%	0.4%	0.1%	1.6%	5.1%	6.0%
Growth Rates (%)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Sales		19.7%	75.6%	10.6%	10.1%	9.9%
EBITDA Adj		35.0%	61.3%	22.4%	12.1%	11.6%
EBIT Adj		24.3%	46.9%	27.1%	13.8%	13.2%
Net Profit Adj		96.3%	43.2%	31.7%	14.2%	14.8%
EPS Adj			43.2%	30.7%	14.2%	14.8%
DPS						

*Excluding extraordinary items   Source: Intermonte SIM estimates

1H25 Results

Reway – 1H25 results

(Eu mn)	1H23A	2H23A	2023A	1H24A	2H24A	2024A	1H25A	2H25E	2025E
Value of production	**54.7**	**77.6**	**132.3**	**116.2**	**116.1**	**232.3**	**134.7**	**122.3**	**257.0**
YoY growth			*20%*	*112%*	*50%*	*76%*	*16%*	*5%*	*11%*
organic			*20%*	*41%*	*15%*	*25%*	*13%*	*3%*	*8%*
EBITDA	**10.6**	**15.8**	**26.4**	**20.3**	**22.4**	**42.6**	**26.2**	**26.0**	**52.2**
EBITDA margin	19.4%	20.4%	20.0%	17.4%	19.3%	18.4%	19.5%	21.2%	20.3%
YoY growth			*35%*	*90%*	*42%*	*61%*	*30%*	*16%*	*22%*
D&A	-1.8	-2.5	-4.2	-4.8	-5.2	-10.0	-5.2	-5.5	-10.7
EBIT	**8.9**	**13.4**	**22.2**	**15.4**	**17.2**	**32.6**	**21.0**	**20.4**	**41.5**
EBIT margin	16.2%	17.2%	16.8%	13.3%	14.8%	14.0%	15.6%	16.7%	16.1%
YoY growth			*24%*	*74%*	*29%*	*47%*	*36%*	*19%*	*27%*
Net financials	-0.1	-0.6	-0.8	-1.7	-2.4	-4.1	-1.8	-2.4	-4.2
Pre tax profit	8.7	12.7	21.4	13.7	14.8	28.5	19.2	18.0	37.2
Taxes	-2.9	-3.9	-6.8	-5.2	-5.4	-10.6	-6.8	-5.8	-12.7
Tax Rate	*-33%*	*-31%*	*-32%*	*-38%*	*-37%*	*-37%*	*-36%*	*-32%*	*-34%*
Minorities	0.0	-0.6	-0.6	0.0	0.0	0.0	-0.5	0.5	0.0
Net Income	**5.8**	**8.1**	**13.9**	**8.5**	**9.4**	**17.9**	**11.8**	**12.7**	**24.6**
YoY growth			*82%*	*46%*	*16%*	*28%*	*40%*	*35%*	*37%*
Net Cash/(Debt)	**4.8**	**-34.6**	**-34.6**	**-62.8**	**-67.0**	**-67.0**	**-65.8**	**-60.9**	**-60.9**

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

Change in estimates

Reway - Change in estimates

(Eu mn)	2024 A	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	**215.1**	**251.5**	**277.5**	**305.5**	**244.5**	**269.5**	**297.0**	**2.9%**	**3.0%**	**2.9%**
YoY growth	*73%*	*17%*	*10%*	*10%*	*14%*	*10%*	*10%*			
Value of production	**232.3**	**257.0**	**283.0**	**311.0**	**250.0**	**275.0**	**302.5**	**2.8%**	**2.9%**	**2.8%**
YoY growth	*76%*	*11%*	*10%*	*10%*	*8%*	*10%*	*10%*			
EBITDA	**42.6**	**52.2**	**58.5**	**65.3**	**49.8**	**55.8**	**62.4**	**4.7%**	**4.8%**	**4.6%**
EBITDA margin	18.4%	20.3%	20.7%	21.0%	19.9%	20.3%	20.6%	37 bps	37 bps	35 bps
D&A	(10.0)	(10.7)	(11.3)	(11.9)	(10.7)	(11.3)	(11.9)			
EBIT	**32.6**	**41.5**	**47.2**	**53.4**	**39.1**	**44.5**	**50.6**	**6.0%**	**6.0%**	**5.6%**
EBIT margin	14.0%	16.1%	16.7%	17.2%	15.6%	16.2%	16.7%	48 bps	48 bps	45 bps
Net financials	(4.1)	(4.2)	(3.8)	(2.7)	(4.8)	(4.4)	(3.3)			
Pre tax profit	**28.5**	**37.2**	**43.4**	**50.7**	**34.3**	**40.1**	**47.2**	**8.3%**	**8.2%**	**7.2%**
Taxes	(10.6)	(12.7)	(14.7)	(17.2)	(11.0)	(12.8)	(15.1)			
Tax Rate	*-37%*	*-34%*	*-34%*	*-34%*	*-32%*	*-32%*	*-32%*			
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Net Income	**17.9**	**24.6**	**28.6**	**33.4**	**23.4**	**27.3**	**32.1**	**5.2%**	**5.0%**	**4.1%**
Adj. net income	**21.7**	**28.5**	**32.6**	**37.4**	**27.4**	**31.3**	**36.2**	**4.0%**	**4.0%**	**3.3%**
YoY growth	*43.2%*	*31.7%*	*14.2%*	*14.8%*	*26.7%*	*14.2%*	*15.6%*			
Free Cash Flow	**0.4**	**6.1**	**19.0**	**22.3**	**5.7**	**18.6**	**22.0**			
Net Cash/(Debt)	**(67.0)**	**(60.9)**	**(41.9)**	**(19.6)**	**(61.3)**	**(42.7)**	**(20.7)**	**-0.7%**	**-2.0%**	**-5.4%**

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

Intermonte

Financials

Reway – P&L

(Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Value of production	**110.5**	**132.3**	**232.3**	**257.0**	**283.0**	**311.0**
YoY growth	*20.5%*	*19.7%*	*75.6%*	*10.6%*	*10.1%*	*9.9%*
organic	*20.5%*	*19.7%*	*25.5%*	*8.0%*	*10.1%*	*9.9%*
Raw Materials	(28.5)	(31.1)	(46.4)	(54.0)	(59.4)	(65.3)
Service costs	(32.2)	(36.5)	(81.7)	(83.5)	(92.0)	(101.1)
% on VoP	-29.1%	-27.6%	-35.2%	-32.5%	-32.5%	-32.5%
Cost for use of third party assets	(10.3)	(15.9)	(26.1)	(32.1)	(35.4)	(38.9)
% on VoP	-9.3%	-12.0%	-11.3%	-12.5%	-12.5%	-12.5%
Personnel costs	(18.8)	(21.9)	(34.4)	(33.9)	(36.3)	(38.9)
% on VoP	-17.1%	-16.6%	-14.8%	-13.2%	-12.8%	-12.5%
Others	(1.1)	(0.5)	(1.0)	(1.3)	(1.4)	(1.6)
% on VoP	-1.0%	-0.4%	-0.4%	-0.5%	-0.5%	-0.5%
EBITDA	**19.6**	**26.4**	**42.6**	**52.2**	**58.5**	**65.3**
EBITDA margin	17.7%	20.0%	18.4%	20.3%	20.7%	21.0%
YoY growth	*15.9%*	*35.0%*	*61.3%*	*22.4%*	*12.1%*	*11.6%*
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**	**41.5**	**47.2**	**53.4**
EBIT margin	16.2%	16.8%	14.0%	16.1%	16.7%	17.2%
YoY growth	*34.8%*	*24.3%*	*46.9%*	*27.1%*	*13.8%*	*13.2%*
Net financials	(0.2)	(0.8)	(4.1)	(4.2)	(3.8)	(2.7)
Pre tax profit	17.7	21.4	28.5	37.2	43.4	50.7
Taxes	(6.1)	(6.8)	(10.6)	(12.7)	(14.7)	(17.2)
Tax Rate	-34.2%	-31.9%	-37.2%	-34.0%	-34.0%	-34.0%
Minorities	(4.0)	(0.6)	0.0	0.0	0.0	0.0
Net Income	**7.6**	**13.9**	**17.9**	**24.6**	**28.6**	**33.4**
YoY growth	*-11.2%*	*82.5%*	*28.3%*	*37.3%*	*16.5%*	*16.8%*
Adjustments (Goodwill amortization)	0.1	1.7	6.0	6.0	6.0	6.0
Net Income Adjusted	**7.7**	**15.1**	**21.7**	**28.5**	**32.6**	**37.4**
YoY growth	*-10.4%*	*96.3%*	*43.2%*	*31.7%*	*14.2%*	*14.8%*

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

Reway – Balance Sheet

(Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Fixed Assets	**8.0**	**73.5**	**81.4**	**78.3**	**75.5**	**72.9**
Inventories	0.7	43.1	55.6	59.9	65.9	72.5
Trade Receivables	52.9	93.0	124.0	135.2	150.4	166.2
Trade Payables	(23.6)	(49.5)	(71.2)	(77.1)	(86.0)	(94.5)
Trade WC	**29.9**	**86.6**	**108.4**	**117.9**	**130.4**	**144.1**
Other Curr. Assets/ Liabilities	(8.7)	(8.1)	(17.4)	(17.4)	(17.4)	(17.4)
NWC	**21.2**	**78.6**	**91.0**	**100.5**	**113.0**	**126.7**
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**	**174.8**	**184.4**	**195.6**
Net Cash/(Debt)	**(3.9)**	**(34.6)**	**(67.0)**	**(60.9)**	**(41.9)**	**(19.6)**
Total Equity	**23.8**	**89.5**	**89.4**	**113.9**	**142.6**	**176.0**

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

Reway – Cash Flow

(Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Net Income	7.6	13.9	17.9	24.6	28.6	33.4
D&A & provisions	1.7	4.2	10.0	10.7	11.3	11.9
Change in NWC	(1.5)	(8.4)	(12.1)	(9.6)	(12.5)	(13.8)
Delta funds	(0.8)	0.0	(12.2)	(11.9)	0.0	0.0
Operating Cash Flow	**7.1**	**9.8**	**3.6**	**13.8**	**27.5**	**31.6**
Capex	(3.1)	(8.3)	(3.1)	(7.7)	(8.5)	(9.3)
Free Cash Flow	**3.9**	**1.6**	**0.4**	**6.1**	**19.0**	**22.3**
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)**	**6.1**	**19.0**	**22.3**
Initial Net Financial Position	(8.8)	(3.9)	(34.6)	(67.0)	(60.9)	(41.9)
Net Cash Flow	4.9	(30.7)	(32.4)	6.1	19.0	22.3
Final Net Financial Position	**(3.9)**	**(34.6)**	**(67.0)**	**(60.9)**	**(41.9)**	**(19.6)**

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

Backlog evolution

Reway – Orders announced

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 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 stations and buildings	Railway	RFI	84
04/06/24	Extraordinary maintenance of various client 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 on roads in Lazio	Highway	ANAS	36
19/11/24	Upgrading and extraordinary maintenance of a bridge on the Milano-Genova railway line	Railway	RFI	39
29/11/24	Construction of acoustic mitigation structures in Abruzzo and extraordinary maintenance in Rome and Cagliari	Railway	RFI	56
11/02/25	Upgrading and modernization of the Bovisa railway junction	Railway	FERROVIENORD	111
27/02/25	Extraordinary maintenance work on tunnels and railway spaces	Railway	RFI	97
28/05/25	Extraordinary maintenance and restructuring of buildings in Florence and Bologna stations	Railway	Grandi Stazioni Rail	30
20/06/25	Maintenance of the railway facilities at La Spezia port; design and construction works on the Melara canal.	Port	Eastern Ligurian Sea Port System Authority	9
			Total	**859**
			o/w Highway	***343***
			o/w Railway	***507***
			o/w Port	***9.0***

Source: Intermonte SIM on Company data.

Valuation

We confirm our OUTPERFORM recommendation, lifting the TP from €8.9 to €11.2, leaving 17% 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. At our target price, RWY would trade at 9.7/8.3x EV/EBITDA and 15.1/13.2x PE based on our FY25E/26E estimates.

Reway – Valuation Summary

Method	Eu p.s.	Weight
DCF (WACC 8.7%, G 2.0%)	11.6	70%
Peers Comparison	10.3	30%
Target Price	11.2	
Current share price	9.6	
Upside/(downside)	17%	

Source: Intermonte SIM

Reway - Multiples @ current price

	2024A	2025E	2026E	2027E
PE	17.1 x	13.0 x	11.3 x	9.9 x
FCF yield	0.1%	1.6%	5.1%	6.0%
EV/SALES	1.9 x	1.7 x	1.5 x	1.3 x
EV/EBITDA	10.6 x	8.5 x	7.3 x	6.2 x
EV/EBIT	13.9 x	10.8 x	9.1 x	7.6 x

Source: Intermonte SIM

Reway - Multiples @ target price

	2024A	2025E	2026E	2027E
PE	19.9 x	15.1 x	13.2 x	11.5 x
FCF yield	0.1%	1.4%	4.4%	5.2%
EV/SALES	2.2 x	2.0 x	1.7 x	1.5 x
EV/EBITDA	12.0 x	9.7 x	8.3 x	7.1 x
EV/EBIT	15.7 x	12.2 x	10.4 x	8.7 x

Source: Intermonte SIM

DCF model

Our DCF valuation yields a fair equity value of €11.6 based on a WACC of 8.7% (risk-free rate at 4%, equity risk premium at 5.5%) and a 2% terminal growth rate.

Reway – DCF and sensitivity analysis

Discounted FCF 25-32	167.9
Terminal value	364.0
Total EV (with DCF)	**531.9**
NFP (YE24)	-67.0
Acquisitions	0.0
Treasury shares	0.0
Employee benefits	-3.0
Minorities & Adjustments	-12.9
Total EQUITY	**448.9**
N. of shares (mn)	38.8
Equity Value p.s. (Eu)	**11.6**
WACC	*8.7%*
Terminal growth	*2.0%*

		Terminal Growth				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC(%)	7.7%	11.8	12.5	13.2	14.1	15.2
	8.2%	11.1	11.7	12.3	13.1	13.9
	8.7%	10.6	11.0	**11.6**	12.2	12.9
	9.2%	10.1	10.5	10.9	11.4	12.1
	9.7%	9.6	10.0	10.4	10.8	11.3

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).

Reway – Peers comparison

	Int. Est.	Multiple	EV	Net Debt	Other Adj.	Equity Value	NOSH	p/s
EBITDA 2025	52.2	**7.5 x**	391.7	60.9	4.0	**326.8**	38.8	8.4
EBITDA 2026	58.5	**6.4 x**	375.5	41.9	4.0	**329.6**	38.8	8.5
Net Income Adj. 2025	28.5	**17.1 x**				**488.1**	38.8	12.6
Net Income Adj. 2026	32.6	**14.0 x**				**455.9**	38.8	11.7
Average Peers						**400.1**	**38.8**	**10.3**

Source: Intermonte SIM

Reway - Peers comparison/Trading Multiples

Company name	Country	Mkt cap	EV/Sales		EV/EBITDA		PE	
		(Eu mn)	2025	2026	2025	2026	2025	2026
Reway Group SpA	**IT**	**290**	**1.7 x**	**1.5 x**	**8.4 x**	**7.2 x**	**13.1 x**	**11.4 x**
Edil San Felice S.P.A.	IT	85	1.4 x	1.2 x	6.6 x	5.5 x	10.6 x	8.9 x
Peab AB Class B	SE	1,801	0.5 x	0.5 x	7.7 x	6.8 x	15.2 x	10.4 x
Railcare Group AB	SE	58	1.8 x	1.5 x	6.5 x	4.7 x	20.8 x	14.2 x
Vossloh Aktiengesellschaft	DE	1,729	1.5 x	1.4 x	11.2 x	9.5 x	25.2 x	19.6 x
Veidekke ASA	NO	1,815	0.4 x	0.4 x	6.5 x	6.0 x	16.0 x	14.7 x
Construction Partners, Inc.	US	5,154	3.0 x	2.6 x	20.3 x	17.3 x	59.0 x	41.8 x
NCC AB Class B	SE	1,919	0.4 x	0.4 x	7.4 x	6.9 x	15.0 x	13.8 x
Stadler Rail AG	CH	2,093	0.6 x	0.5 x	7.7 x	5.9 x	18.2 x	10.5 x
Median			**1.0 x**	**0.9 x**	**7.5 x**	**6.4 x**	**17.1 x**	**14.0 x**

Source: FactSet, Bloomberg

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
Vice Chairman: Francesco Dell'Elmo
CFO: Federico Della Gatta

Next BoD renewal: 2026
BoD independent members: 1/7

Shareholders

Luccini S.r.l.	55.9%
Raffaella Casillo	13.5%
Patrizia Casillo	9.01%
Others subject to lock-up	0.97%
Indépendance AM	5.28%
Free Float	15.3%

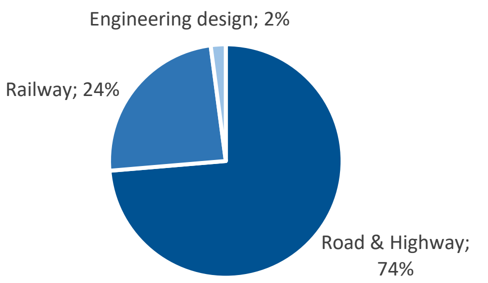
Strengths/Opportunities

- Wide range of authorisations to operate in core segments, guaranteeing a high barrier to entry 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 to foreign markets

Weaknesses/Threats

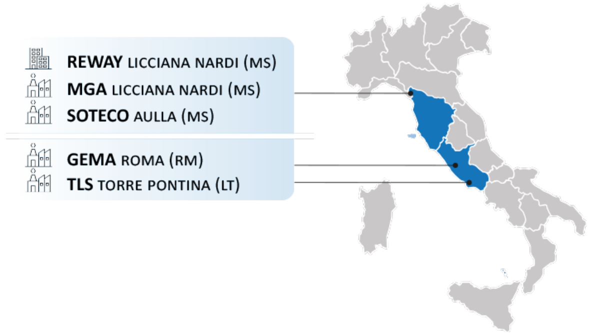
- Lack of geographical diversification, with 100% of revenues generated in Italy
- High customer concentration (in motorways, the top 2 clients account for 50% of turnover; in rail, the top 2 account for ~90%), intrinsic to the core markets
- Long collection times for receivables
- Business with limited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

Value of Production Breakdown (1H25A)



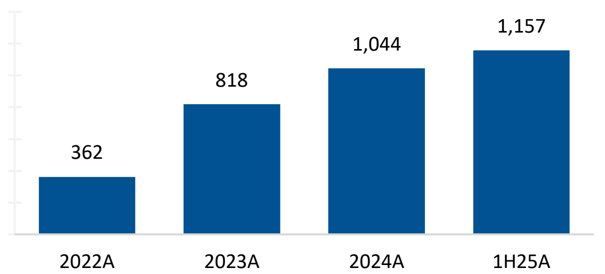
Source: Intermonte SIM on Company data

Reway Group Footprint



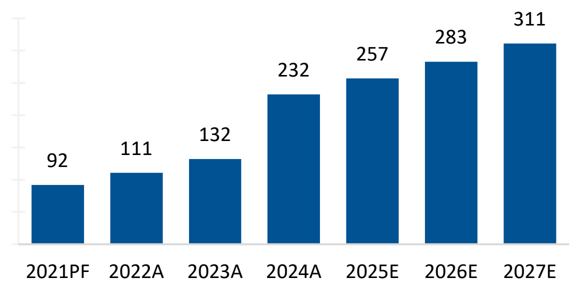
Source: Intermonte SIM on Company presentation

Backlog (Eu mn) evolution



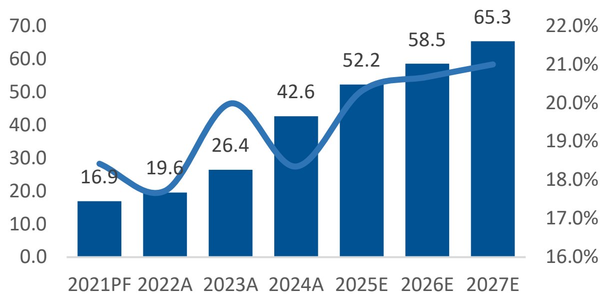
Source: Intermonte SIM on Company data

Value of Production (Eu mn) forecasts



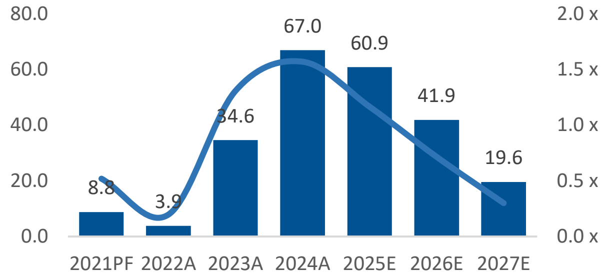
Source: Intermonte SIM (E) and Company data (A)

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):	11.20	Previous Target (Eu):	8.90
Current Price (Eu):	9.60	Previous Price (Eu):	6.94
Date of report:	01/10/2025	Date of last report:	02/04/2025

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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 between 5.5% - 6.0% are being used.
Frequency of research: quarterly.
Reports on all companies listed on the FTSEMIB40 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.
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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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As at 1 October 2025 Intermonte's Research Department covered 132 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	30.30%
OUTPERFORM:	38.64%
NEUTRAL:	31.06%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (77 in total) is as follows:

BUY:	49.35%
OUTPERFORM:	32.47%
NEUTRAL:	18.18%
UNDERPERFORM:	00.00%
SELL:	00.00%

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