

TREVI Group

2015 First Half Results

Ended 30th June 2015

CONFERENCE CALL

Cesena
31 August 2015



TREVI

soilmeco
Drilling and Foundation Equipment



DRILLMEC
DRILLING TECHNOLOGIES

Petrevi

TREVIenergy

1. *TREVI Group*

2. 1H 2015 Financial Results

3. Q&A

4. Appendix



Special foundation services

€283,8m



DRILLMEC
DRILLING TECHNOLOGIES

Oil drilling rigs

€152,3m

1H15 Revenues



Special foundation rigs

€114,7m



Oil drilling services

€71,3m



Special foundation services

€283,8m

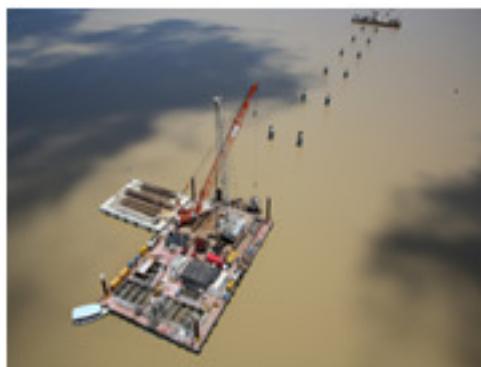
1H15 Revenues



Geotechnical Works



Environment



Marine Works



Deep Foundations



Tunnel Consolidation

TREVIGroup



Large Diameter Piles



Hydromills & Grabs



Microdrilling & Attachments



Cranes

soilmec
Drilling and Foundation Equipment

Special foundation rigs

€114,7m
1H15 Revenues





Land Rigs



Hydraulic Drilling Rigs



Mud Pumps



Drawworks



TREVI Group



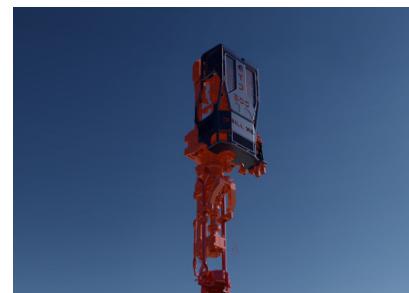
Modular Offshore



AHEAD Rigs



Conventional Packages



Top Drives

ARGENTINA:

7 RIGS HH102



2 RIGS HH220



CILE:

1 RIG HH220



1 RIG HH102

COLOMBIA:

1 RIGS HH220



PERU' :

1 RIGS HH102



VENEZUELA:

1 RIG HH200



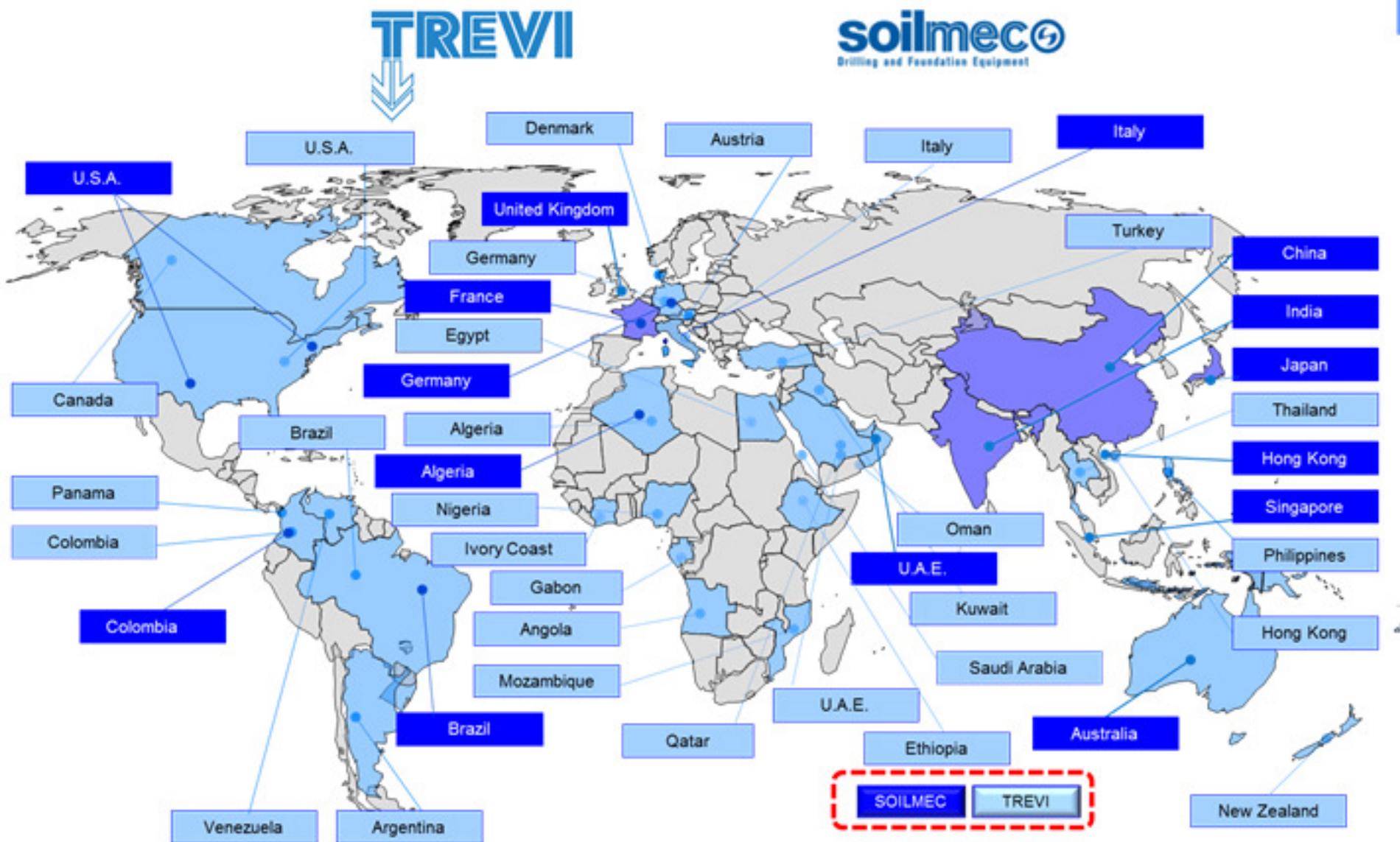
1 RIG HH300

Petrevén
Oil drilling services

€71,3m
1H!5 Revenues

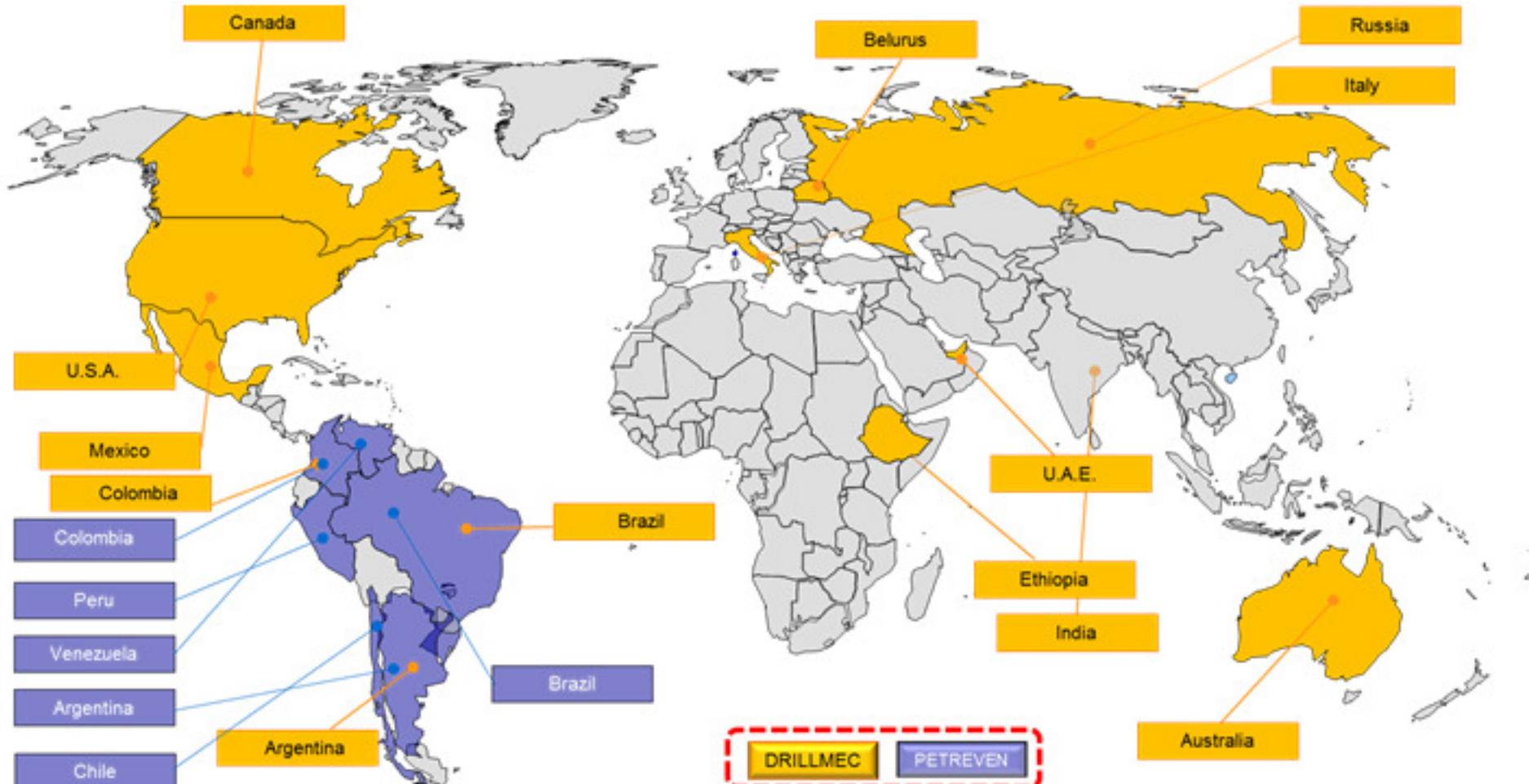
Foundations Sector

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Oil & Gas Sector

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1. TREVI Group

2. 1H 2015 *Financial Results*

3. Q&A

4. Appendix

Results Key Highlights

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Impacted by a one-off event in a non favorable environment

- ***Drillmec's offshore rig contract generated extra costs***
In the months of May, July and August extra costs were incurred in the delivery phase
- ***Marginality was strongly hindered given the extraordinary event***
Costs increased noticeably during the delivery phases of the contract. Transportation costs surged during the installation phase and extreme efforts were carried out to deliver to the final client
- ***Over 1.17 billion Euro of solid backlog + 13%***
The order backlog has registered good growth within key strategic geographical areas
- ***Net Financial Position improved vs 1Q15 showing cash flow generation***
Net financial indebtedness improved notwithstanding the one-off event in Drillmec

Main discussion points

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Market Environment

- *Global construction trend very positive Euro +190 million of newly acquired contracts in the TREVI division in the Middle East and Africa*
- *Core business backlog sound and at an ever time high at 650 million Euro between TREVI and SOILMEC*
- *Oil prices very uncertain and still driving capex cut and pressure on supply chain*
- *Reduced visibility overall but there are still good opportunities in the pipeline*
- *Shallow offshore market shows opportunities*
- *Order portfolio in the O&G stays strong at Euro 381 million and all extraordinary items have been taken into account*

Drillmec's offshore contract – Details & Information

TREVI Group



- *The rigs are 2.000 HP and have been factory-made following the manufacturing criteria and custom engineering of the client.*
- *The project consisted of delivering highly customized rigs with capabilities to extract hydrocarbons on a continuing basis in the selected basin.*
- *The rigs will be installed on a fixed-platform and will operate at about 2.000-3.000 meters down under the ocean floor sediments from the Mexican coast.*

The Drillmec Contract & its dynamics 1/5

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Key actors



Drilling contractor



Primary Oil Company

- *To provide two offshore oil drilling rigs for a total value of 170 USD*
- *Subcontractors are used for the completion of the rigs*
- *Sets-up a specific division with a dedicated team for the offshore oil drilling rigs*

- *Establishes a tender process for the supply of two offshore Modular rigs to be delivered on the platforms in the Gulf of Mexico.*
- *Main drilling contractor signs a contract the Oil company to rent for three years two platforms*

- *A primary Oil Company, already a Drillmec client, decides to revisit under the engineering stand point the concept initially introduced in the '70s to increase productivity, efficiency and performance; the MODUALR RIGS*

The Drillmec Contract & its dynamics 2/5

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Key Milestones

2012

-
2013

2013

2014

2015

- *Contract acquisition and awarding for two offshore oil drilling rigs to be installed on 2 platforms in the Gulf of Mexico a primary oil contractor for \$170m*
- *For the nature of project Drillmec subcontracts key activities*
- *Change orders received by the client which lengthened the delivery process. (Initial expected delivery Dec 2013)*
- *First completed in August , second rig in completion phase*
- *Availability of platform rescheduled from October 2014 to March 2015*
- *Macroeconomic environment worsens with sharp decline in Oil prices*
- *Transportation and commissioning starting in late April 2015*
- *Lack of dedicated equipment in the Gulf area therefore new transporters are hired to complete the delivery on time and this requires upgraded derrick barges, ships and living quarters*
- *Parties agreed earlier termination for convenience of the 2nd rig for delivery ex works*
- *Additional costs from subcontracts, transportation damages, bad weather and general inefficiencies for platform unavailability*

The Drillmec Contract & its dynamics 3/5

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Key disclosures and timeframe. What happen at the end of contract?

Oil contractor gives green light only in February for the first platform installation

Actual initiation of transport and new transportation means for delivery

Termination & Release Agreement for the 2 rig to be delivered on land. Additional costs from subcontractors

February

April

June / July

2015

March

Beginning phases of transport logistics are initiated as well as all Mexican customs requirements

May

Generation of extra costs due to inefficiencies, transport services and weather

The Drillmec Contract & its dynamics 4/5

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Contract main cost items

55 million	USD	(inefficiencies, transport, weather and other damages)
20 million	USD	(transaction costs and closing)
20 million	USD	(contractors + change order)
5 million	USD	(provisions)

The actions that are being taken next in Drillmec 5/5

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1. *Due diligence proactively initiated internally in terms legal, technical and financial aspects*
2. *Contractors recovering plan through negotiations*
3. *Key restructuring aimed for timely improvement in Drillmec*
4. *Strict attention to risk assessment while carrying out the processes*
5. *Introduction of a dedicated key figure with proven experience in the BOD of Drillmec*

Financial Highlights

Revenues

€601m

Ebit

€-104m

Backlog

€1.173m

Ebitda

€-49m

Net Result

€-128m

Net Financial Position

€464m

Group's Divisions Overlook

TREVI Group

- Solid order backlog
- Very strong order intake in areas such as the Middle East, United States and North Africa Increased the already long term visibility (highest portfolio of the past 3 quarters at 580m Euro)
- New contracts initiated during the first half and expected increased growth in the second half
- Greater demand for marine, transportation and metro works
- Infrastructure sector improving and wider international reach
- Private development building activities reaching strong momentum

- +14% of revenue increase with respect to the previous year
- Notwithstanding the contraction in the Italian market the US, UK & France performed well
- Quarterly order intake continues to register growth (74m Euro in 2Q15, 56m Euro in 1Q15 vs 46m Euro in 4Q14)
- Increased demand for classic «Rotary» rigs, good performance for micro piling and cranes



Group's Divisions Overlook

TREVI Group

- Over 380 million Euro of backlog as of June 30th 2015
- Following the offshore contract's negative dynamics improvement action are being undertaken to reestablish normalization
- Competitive market given uncertainty in Oil prices but still well position with good opportunities to improve the pipeline of contracts increasing the backlog even further
- Recently acquired contracts embrace better and predictable payment terms
- Rationalization of existing production sites and cost reduction
- Partnership development in the medium to long term strategic geographical areas



- A fewer number of rigs are currently operating
- Ongoing negotiations currently in the process relating to a niche market
- Marginality challenged by more uncertain environment
- Negotiating rates with some clients



At a corporate level

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- **Decisive actions in the organizational structure with the introduction of a Central Manager within the holding company and strengthening of the risk control functions within the single divisions**
- **Great focus on Cash Generation at all levels and divisions**
- **Very sound Debt /Equity ratio persists notwithstanding the loss in 1H15**
- **Great execution and track record in completing projects with success**
- **Maintain, develop and strengthen the know-how and key differentiating skills**

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Financial Highlights 1H15 yoy

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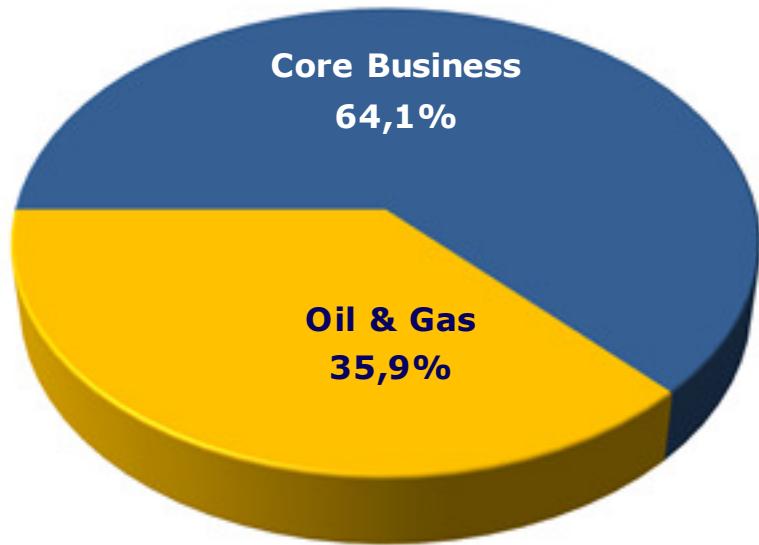
Euro	1H15	%	1H14	%	Δ%
VALUE OF PRODUCTION	627.5		566.9		10.7%
REVENUES	601.1	100.0%	558.0	100.0%	7.7%
EBITDA	(48.8)	-8.1%	64.6	11.6%	-175.4%
EBIT	(104.5)	-17.4%	35.7	6.4%	-392.8%
FINANCIAL COSTS	(13.0)	-2.2%	(16.2)	-2.9%	-19.9%
TAXES	4.8	0.8%	4.4	0.8%	-9.6%
NET PROFIT	(128.1)	-21.3%	4.6	0.8%	N/A
Euro	1H15		1H14		Δ%*
NET CAPITAL EMPLOYED	1,022.5		957.7		6.8%
EQUITY	558.0		422.9		31.9%
NET FINANCIAL POSITION	464.2		533.9		13.0%
BACKLOG	1,172.7		1,037.8		13.0%
	1H15		1H14		
NFP / EBITDA	N/A		4.10X		
NFP / EQUITY	0.83X		1.26X		
	1H15		1H14		
EMPLOYEES	7,671		7,413		

Revenues Before and After Consolidation

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Euro mln	1H15	1H14	Δ%
Drilling Rigs (DRILLMEC)	152.3	181.7	-16.2%
Drilling Services (PETREVEN)	71.3	61.0	16.8%
Interdivisional Adjustments and Eliminations	(1.0)	(3.6)	
Sub-Total Oil & Gas Sector	222.5	239.1	-6.9%
Special Foundation Services (TREVI)	283.8	233.6	21.5%
Machines for Special Foundations (SOILMEC)	114.7	100.3	14.4%
Interdivisional Adjustments and Eliminations	(8.3)	(6.5)	
Sub-Total Foundation Sector	390.2	327.3	19.2%
Parent Company	13.2	8.1	
Interdivisional Eliminations	(24.8)	(16.5)	
TOTAL CONSOLIDATED REVENUES	601.1	557.9	7.7%

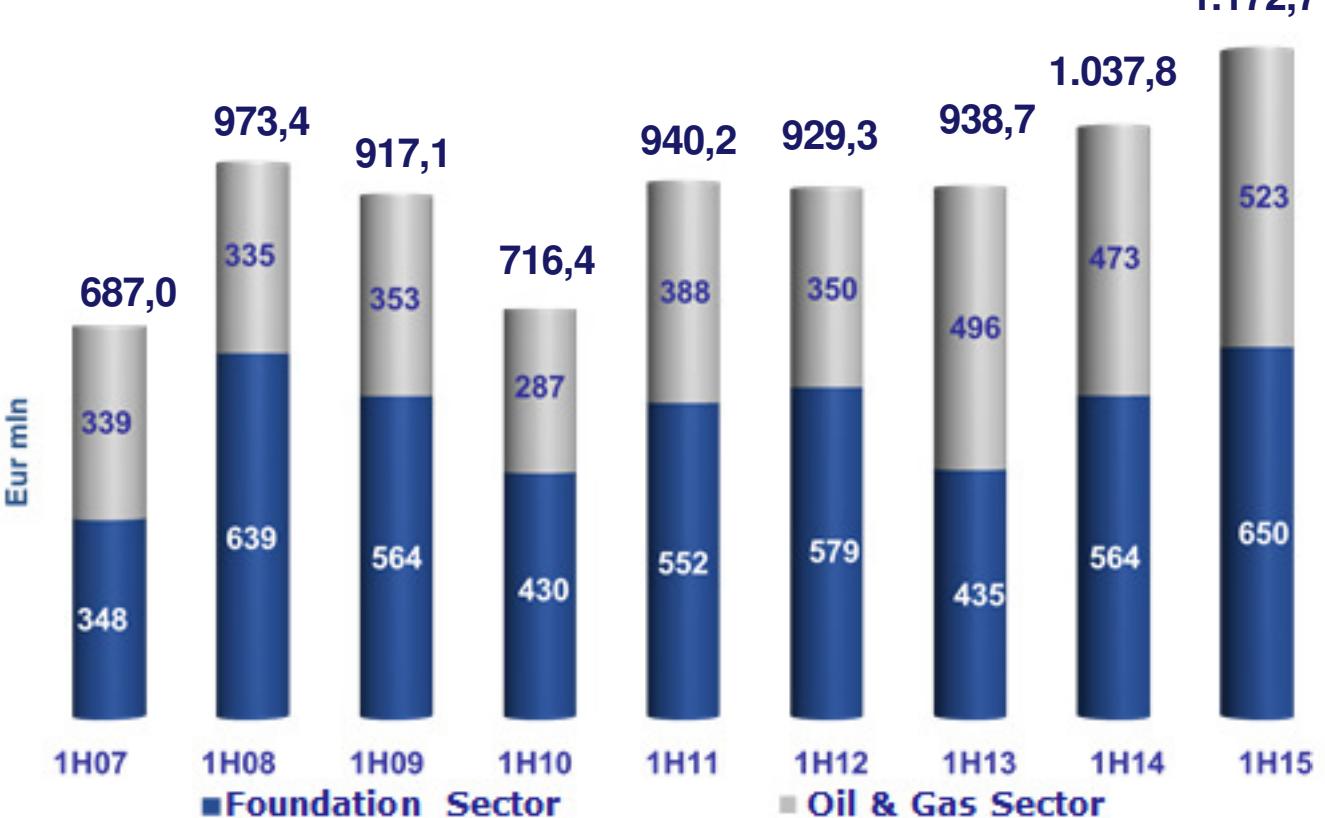
One Group



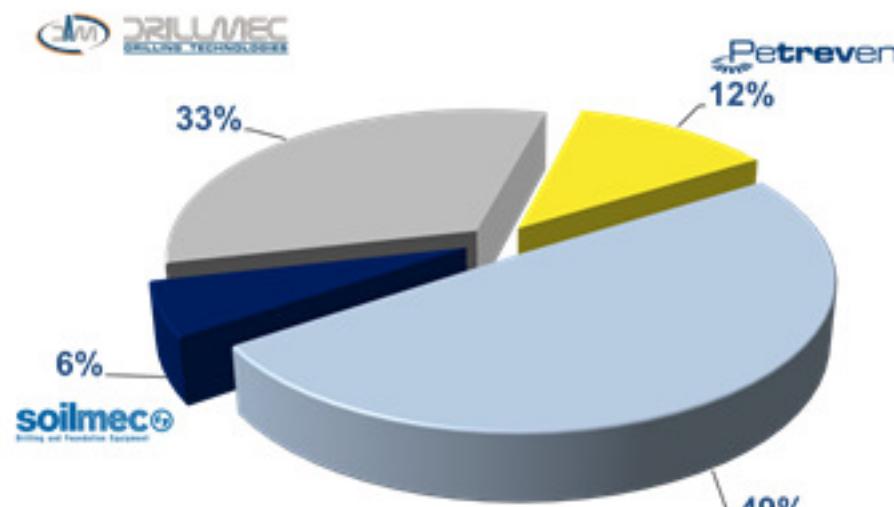
Revenues 1H15 €601m

Backlog

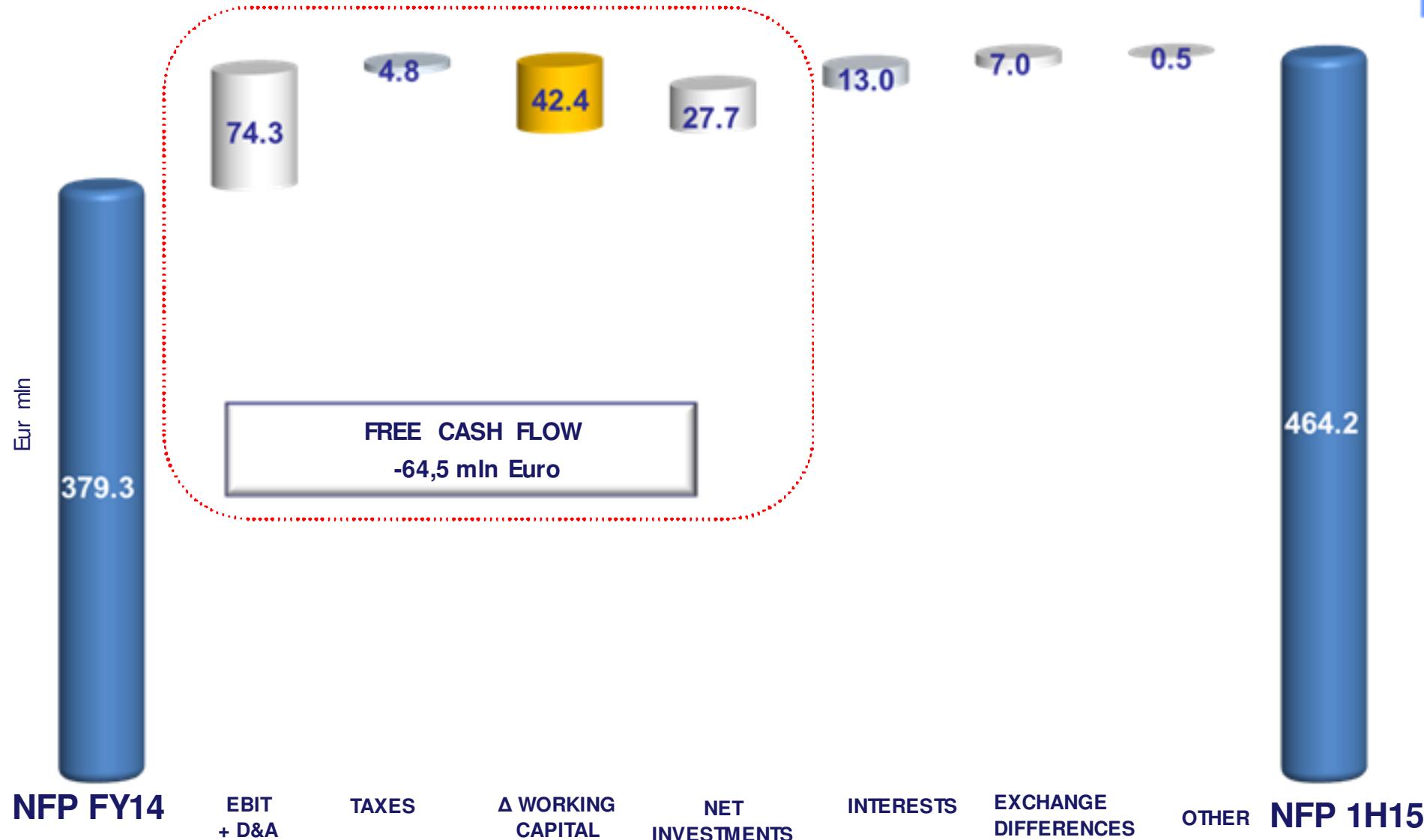
CAGR 1H07 – 1H15 = +6,9%



GEOGRAPHICAL AREA (Eur mln)	1 H15	%
Italy	83.3	7.1%
Europe (Italy excl.)	19.4	1.7%
U.S.A. and Canada	97.0	8.3%
Latin America	254.7	21.7%
Africa	344.2	29.4%
Middle East and Asia	269.9	23.0%
Far East and RoW	104.0	8.9%
TOTAL	1,172.7	100.0%



Net Financial Position

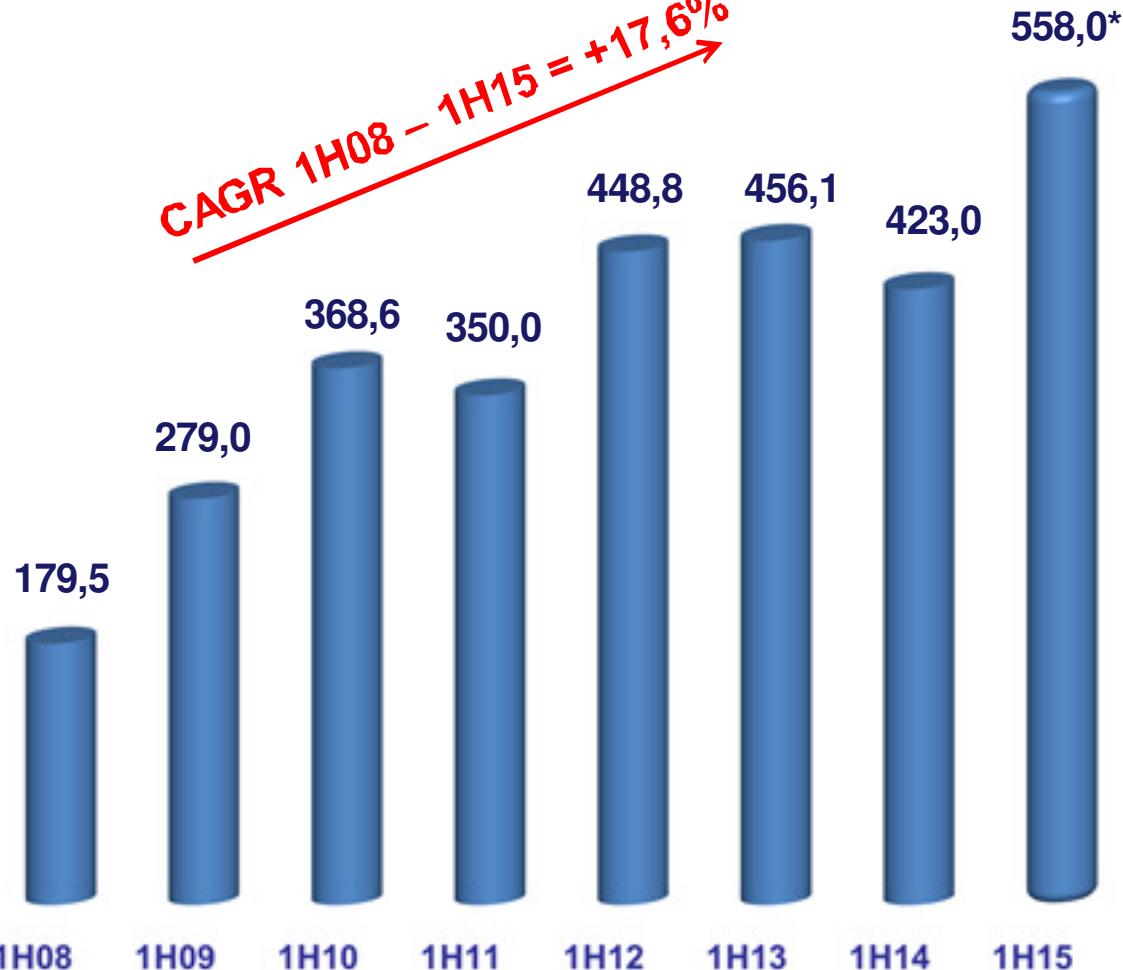


Equity and Net Financial Position

Euro mln

*Includes net increase in capital of €192,9m completed in November

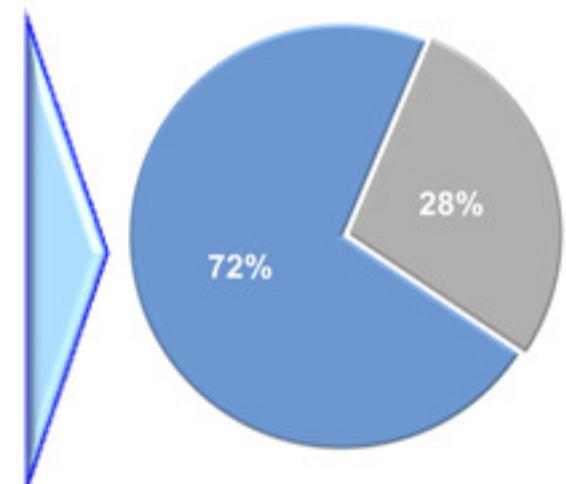
CAGR 1H08 – 1H15 = +17,6%



464,2



Short Term Debt
Long Term Debt

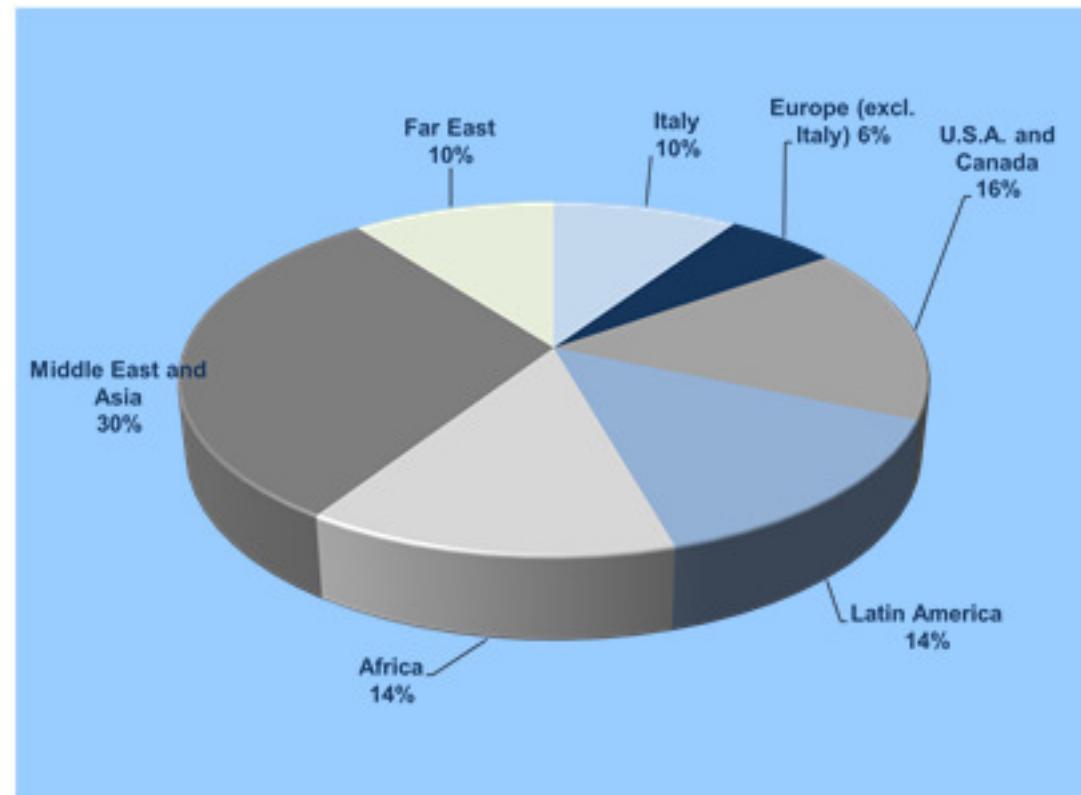
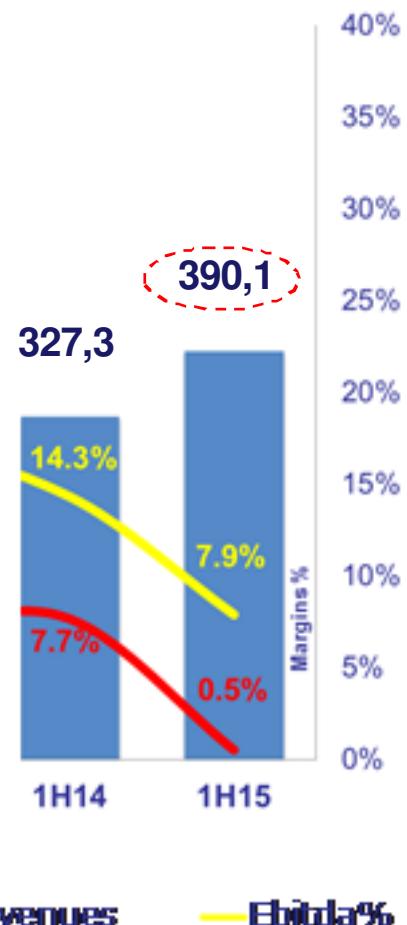


EQUITY

NET FINANCIAL POSITION

Foundations Sector

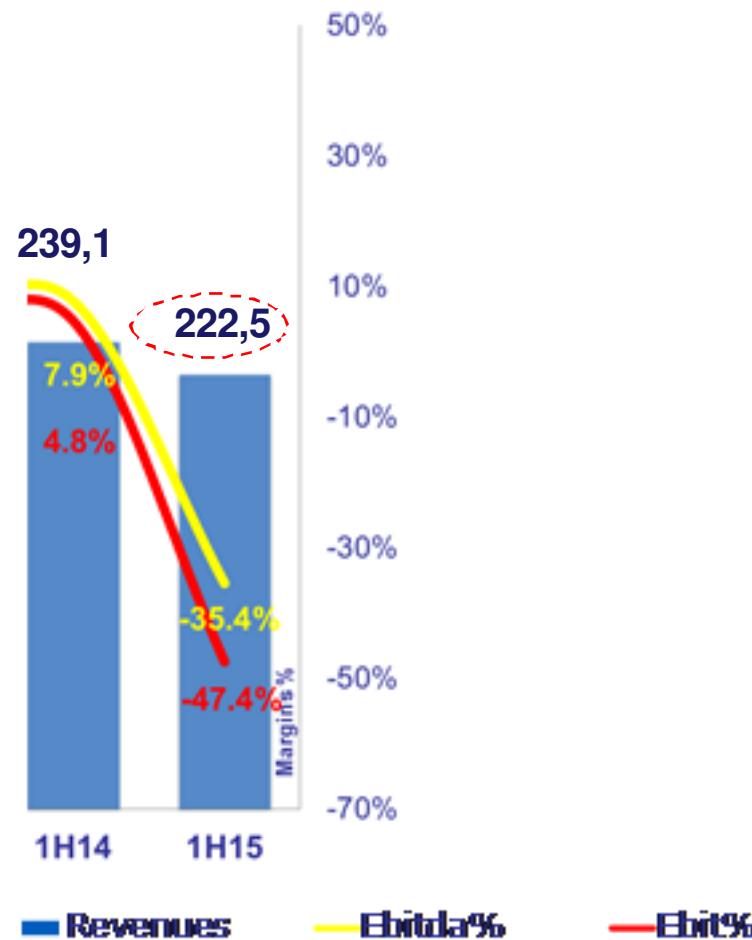
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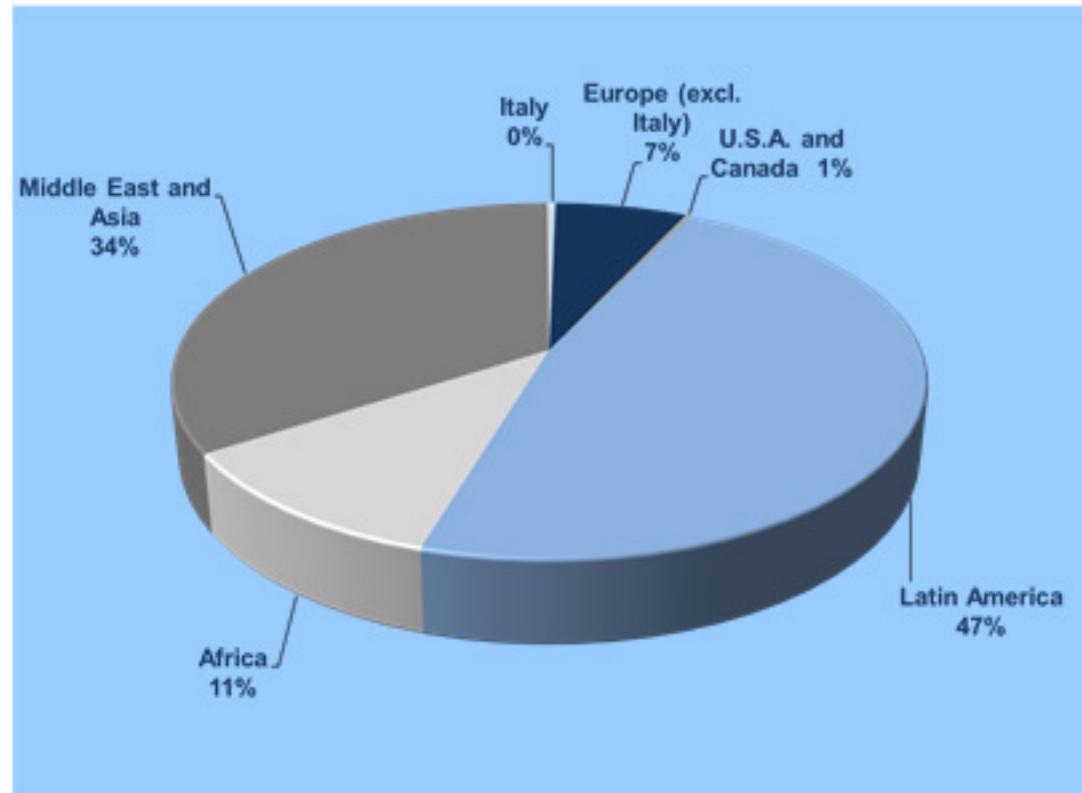
Based on non Consolidated Data

Oil & Gas Sector

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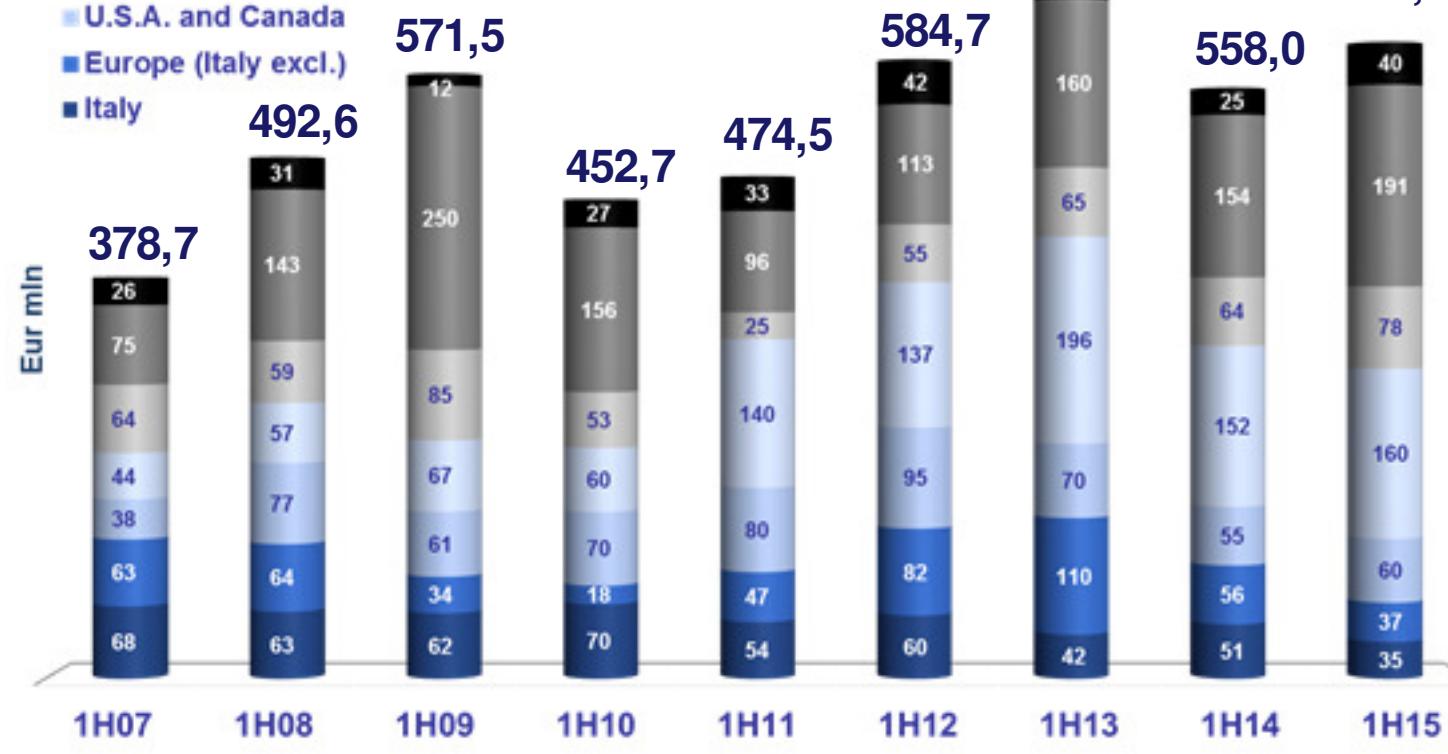
Petreven



Based on non Consolidated Data

Breakdown per Geographical Area

- Far East and Others
- Middle East and Asia
- Africa
- Latin America
- U.S.A. and Canada
- Europe (Italy excl.)
- Italy



Middle East: Contribution from this area has significantly improved with respect to the previous years. *Infrastructural & Residential projects are key and drive the growth*

USA: Attractive North American market with major indicators proving for sustainable growth

Latin America: High degree of business is being brought forward both in the construction and oil & gas fields. *Significant opportunities for growth*



TREVI
↓

TREVI special foundation

Trevi was awarded to install jet grout columns as part of the marine mud wave below the reclamation works of the project of Hong Kong-Zhuhau-Macau Bridge



TREVI
↓

TREVI performing Slurry Walls

TREVI is carrying out works for ground improvement and the realization of slurry walls



TREVI Bluewaters Project in Dubai

Located off the Jumeirah Beach Residence coastline 10 Soilmec machines are executing more than 3,000 piles needed for the foundations of residential areas



TREVI
↓

TREVI for “Ocean Reef”

TREVI Panama has made micropiles on the front left of one of the two islands of Ocean Reef, a project which involves the construction of a prestigious residential complex. The piles are preparatory for the construction of the bridge that will connect the two islands. (the first of 103,251 square meters and the second of 87,550.



TREVI special foundation works for the most important bridge under construction in Kuwait

TREVI is carrying out works for the construction of a bridge between Shuwaikh Port (Ghazali St.) and Subiyah New Town.

Special foundation works for the a road that stretches for 37 km.



Strategic road way in Florida

SR83/US 331 is a primary North/South roadway in Walton County (Florida) that is a crucial link for tourism and commerce and also serve as the primary hurricane evacuation route. TREVIICOS was assigned one of the major goals with a 3.4 miles stretch of soil mixing.



soilmec
Drilling and Foundation Equipment

SR-75 at work

Displacement of piles at 30,5 meters of depth.



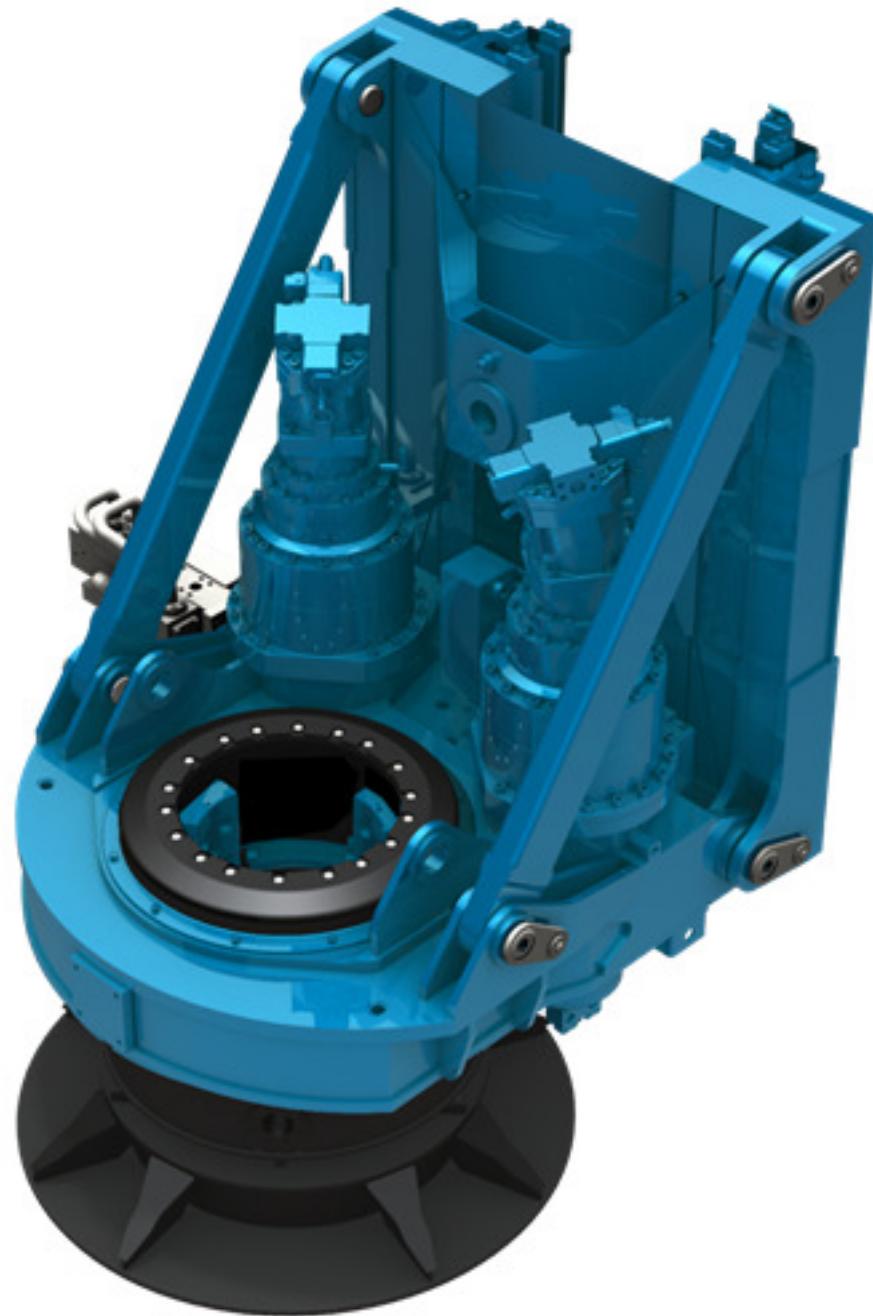
soilmec®
Drilling and Foundation Equipment

New Soilmec Products

The new Soilmec SR-45 rig opens new perspectives on the hydraulic drills market. The basic rig has been completely redesigned in order to offer greater comfort and safety on site. Casing are entirely covered with sound damping and absorbing material.

Soilmec machines at work





soilmec
Drilling and Foundation Equipment

New Soilmec Rotary head RD-250

The the RD-250 from Soilmec has been lightened weighing only 5 tons complete with cradle and resized guaranteeing lower force losses.



1 X HH300 Offshore Rig

Drillmec signed a contract for the supply of an automatic hydraulic model HH300 offshore with SOCAR-AQS.

The rig will be installed on a fixed platform in the offshore region of Absheron West.

This contract is for Drillmec the opening of a new market of great interest when considering the abundance of resources and the wide availability of investments.



ORDERS IN THE OIL & GAS SECTOR TOTALING ABOUT 280 MILLION USD

*Five 2000hp AC rigs and two 3000HP rigs with **ENAFOR**, an Algerian leading drilling services company and acting on behalf of **SONATRACH**, the national oil company and largest African operator.*

*Two rigs of 2000hp AC HSL (Hydraulic Swing Lift) with one of the largest drilling contractors operating in Saudi Arabia. The Saudi company has operated for more than 50 years in the industry and has an important role in the expansion program of **Saudi Aramco**, the leading oil company in the country and world leader in proven reserves.*



OTC 2015 in Houston

Always present Drillmec was in Houston and the event registered the 6th largest attendance rate with over 94,700 people from 130 countries.



Petreven

104 wells in Chile with CNPC

Petreven Chile signed with CNPC China National Petroleum Corporation a contract for 104 wells to be carried out in the town of El Alto

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Statement of Financial Position 1H15 vs 1H14

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Eur 000	1H15	1H14	Δ%
TOTAL REVENUES	601,114	557,957	7.7%
Changes in inventories of finished and semi-finished products	13,132	(1,106)	
Increase in fixed assets for internal use	13,242	10,059	
Other non-ordinary operating revenues	0	0	
VALUE OF PRODUCTION	627,488	566,910	10.7%
Raw materials and external services	536,253	381,890	
Other operating costs	8,567	7,850	
VALUE ADDED	82,668	177,170	-53.3%
Personnel expenses	131,428	112,541	
EBITDA	(48,760)	64,629	-175.4%
% Total Revenues	-8.1%	11.6%	
Depreciation	30,159	27,546	
Provisions and write-downs	25,552	1,400	
EBIT	(104,471)	35,683	-392.8%
% Total Revenues	-17.4%	6.4%	
Financial revenues/(expenses)	(12,954)	(16,179)	
Gains/(Losses) on exchange rates	(7,006)	(3,993)	
Other Gains/(Losses)	0	1,643	
EBT	(124,431)	17,154	-825.4%
Tax	4,836	4,411	
Minorities	(1,178)	8,176	
GROUP NET PROFIT	(128,089)	4,565	N/A

Income Statement 1H15 vs 1H14

TREVI Group

Eur 000	1H15	1H14	Δ%
Fixed assets			
- Tangible fixed assets	395,405	353,073	
- Intangible fixed assets	87,434	54,438	
- Financial fixed assets	6,639	6,810	
Net working capital			
- Inventories	608,112	610,440	
- Trade receivables	443,614	356,449	
- Trade payables (-)	(354,355)	(269,870)	
- Pre-payments (-)	(201,018)	(173,674)	
- Other assets (liabilities)	58,198	41,524	
Fixed assets plus net working capital	1,044,029	979,189	6.6%
Post-employment benefits (-)	(21,543)	(21,507)	
NET INVESTED CAPITAL	1,022,486	957,682	6.8%
<i>Financed by:</i>			
Group net shareholders' funds	544,137	399,333	
Minorities' share of net shareholders' funds	13,878	23,613	
Total financial indebtedness	464,471	534,736	
TOTAL SOURCES OF FINANCING	1,022,486	957,682	6.8%

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Company Facts

- **Ownership:** 51%*
- **Market:** 49%
- **Established:** 1957
- **Listed:** 1999
- **Value Proposition:**
Fully integrated Special
Foundation Services and
Oil & Gas Company

172

Dams worldwide

12%

EBITDA margin
14 year average

1st

Oil & Gas Rig
manufacturer in
Europe

6

Main projects
US Army Corps

>50

Metros in
world

>62

Marine Projects in the
world

*Includes FSI

The Group

52 Companies

38 Countries

69 Business Units

FY 2014 Results

Revenues €1,251m

Ebitda €126m

Ebit €63m

NFP €379m

Divisions:

Special Foundations

Oil & Gas

FY 2014 KPI

Value of Prod. €1,283m

Backlog €1,107m

NFP/Ebitda 3.0x

Synergies

Innovation

Advantage

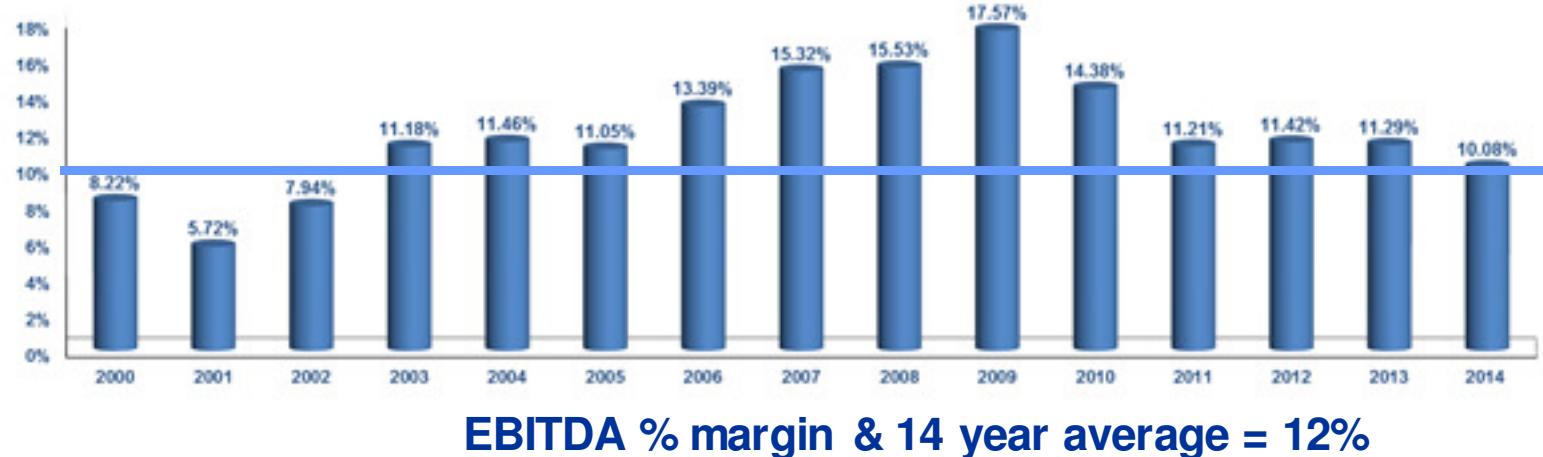
Employees 7,493

NFP/Equity 0.57x

Dividends €0.07

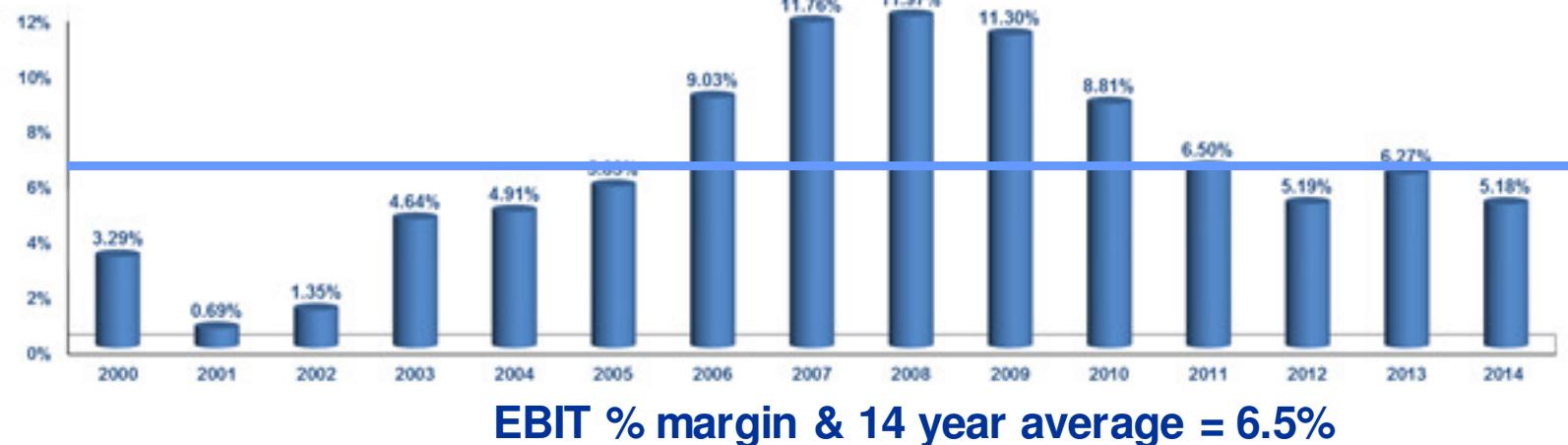
Track Record of Growth and Excellence

TREVI Group



Track Record of Growth and Excellence

TREVI Group



Disclaimer

The Executive in charge of the preparation of accounting documents "Daniele Forti" declares, pursuant to paragraph 2 of article 154-bis of the consolidated law on finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records.

This presentation, prepared by TREVI - Finanziaria Industriale SpA, contains forward looking information and statements about the group and in no case may it be interpreted as an offer or an invitation to sell or purchase any security issued by the company or its subsidiaries.

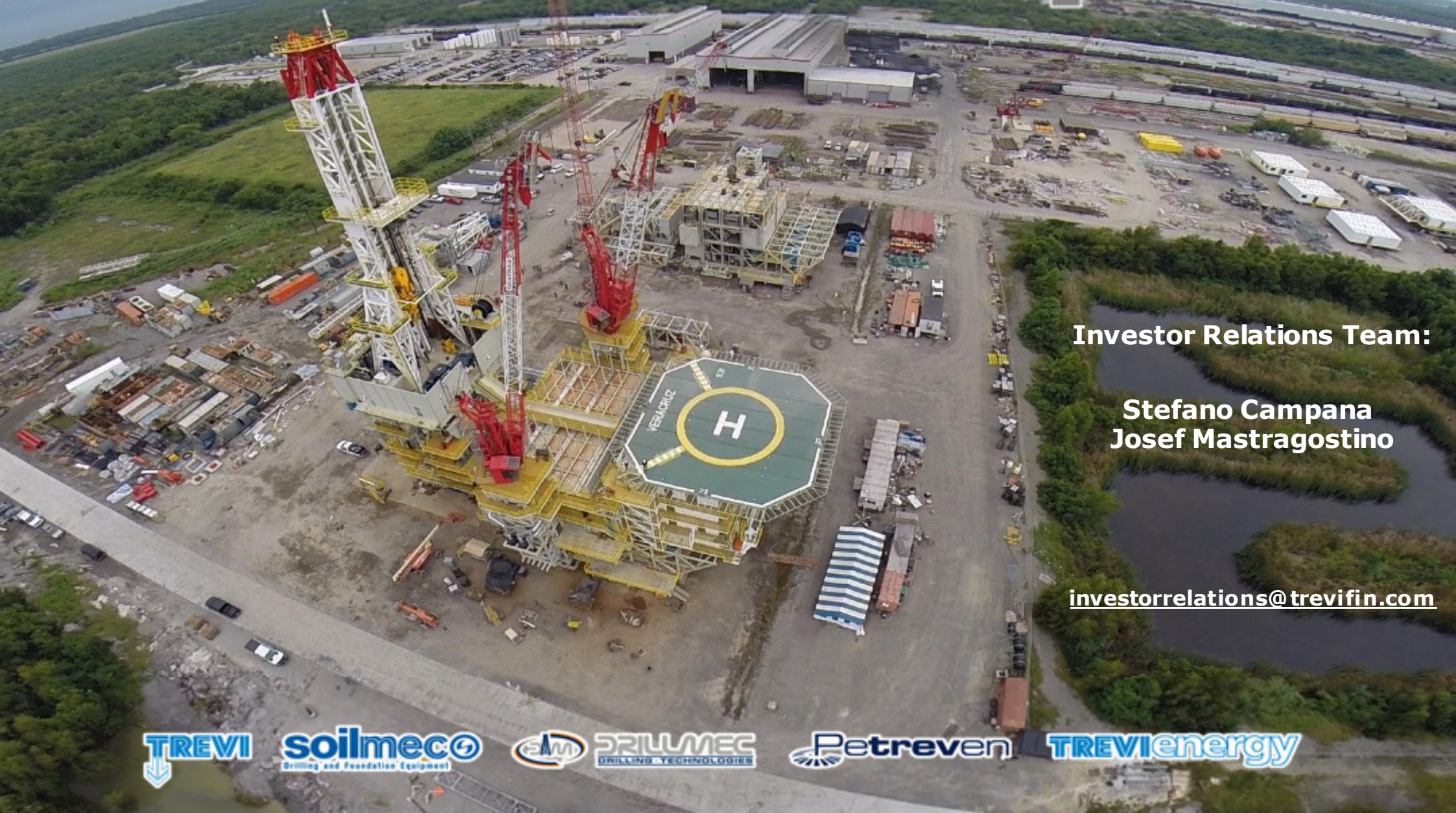
These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations to future operations, products and services, and statements regarding future performance.

Forward looking statements involve inherent risks and uncertainties are current only at the date they are made.

However, the management of TREVI - Finanziaria Industriale SpA believes that the expectations are reasonable, but, at the same time, points out to holders and investors that all the information and all the statements are subject to various risk and many of which are very difficult to predict and to control.

TREVI - Finanziaria Industriale SpA does not undertake any obligation to update forward looking statements to reflect any changes in own expectations with regard thereto or any changes in events.

TREVI Group



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