

TREVI Group

2016 Third Quarter Results

Ended 30th September 2016

CONFERENCE CALL

Cesena, 15th November 2016



1. *TREVI Group*

2. 9M 2016 Financial Results

3. Q&A

4. Appendix

TREVI-Finanziaria Industriale S.p.A.

TREVI Group

TREVI

Special foundation services

€424,8m



Oil drilling rigs

€114,2m

9M16 Revenues

soilmeco
Drilling and Foundation Equipment

Special foundation rigs

€182,7m

Petreven

Oil drilling services

€79,5m

TREVI

Special foundation services

€424,8m

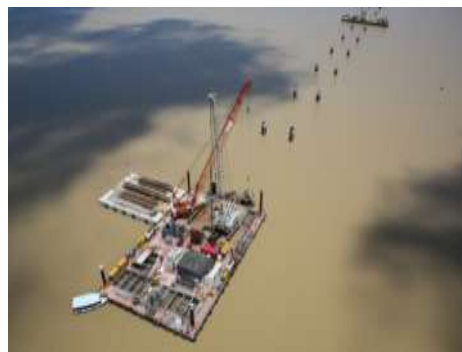
9M16 Revenues



Geotechnical Works



Environment



Marine Works



Deep Foundations



Tunnel Consolidation



Special foundation rigs

€182,7 mln

9M16 Revenues

Hydromill series

Hydromill with hose wheels and hose drum design for deep diaphragm walls



SC series

Heavy duty hydraulic crawler crane for different foundation technologies



SR-LDP series

Hydraulic drilling rig optimally designed to give you the best drilling performance.



SM series

Hydraulic drilling rig designed to perform: micropiles, anchors, water wells, coring and consolidations with jet grouting



TREVI Group



Land Rigs



Hydraulic Drilling Rigs



Mud Pumps



Drawworks



Modular Offshore



Conventional Packages



AHEAD Rigs



Top Drives



Oil drilling rigs

€114,2m

9M16 Revenues

ARGENTINA:

7 RIGS HH102

3 RIGS HH220



1 WO MR5000



PERU':

2 RIGS HH102



VENEZUELA:

1 RIG HH200



1 RIG HH300

CILE:

1 RIG HH220



1 WO MR5000

COLOMBIA:

1 RIGS HH200

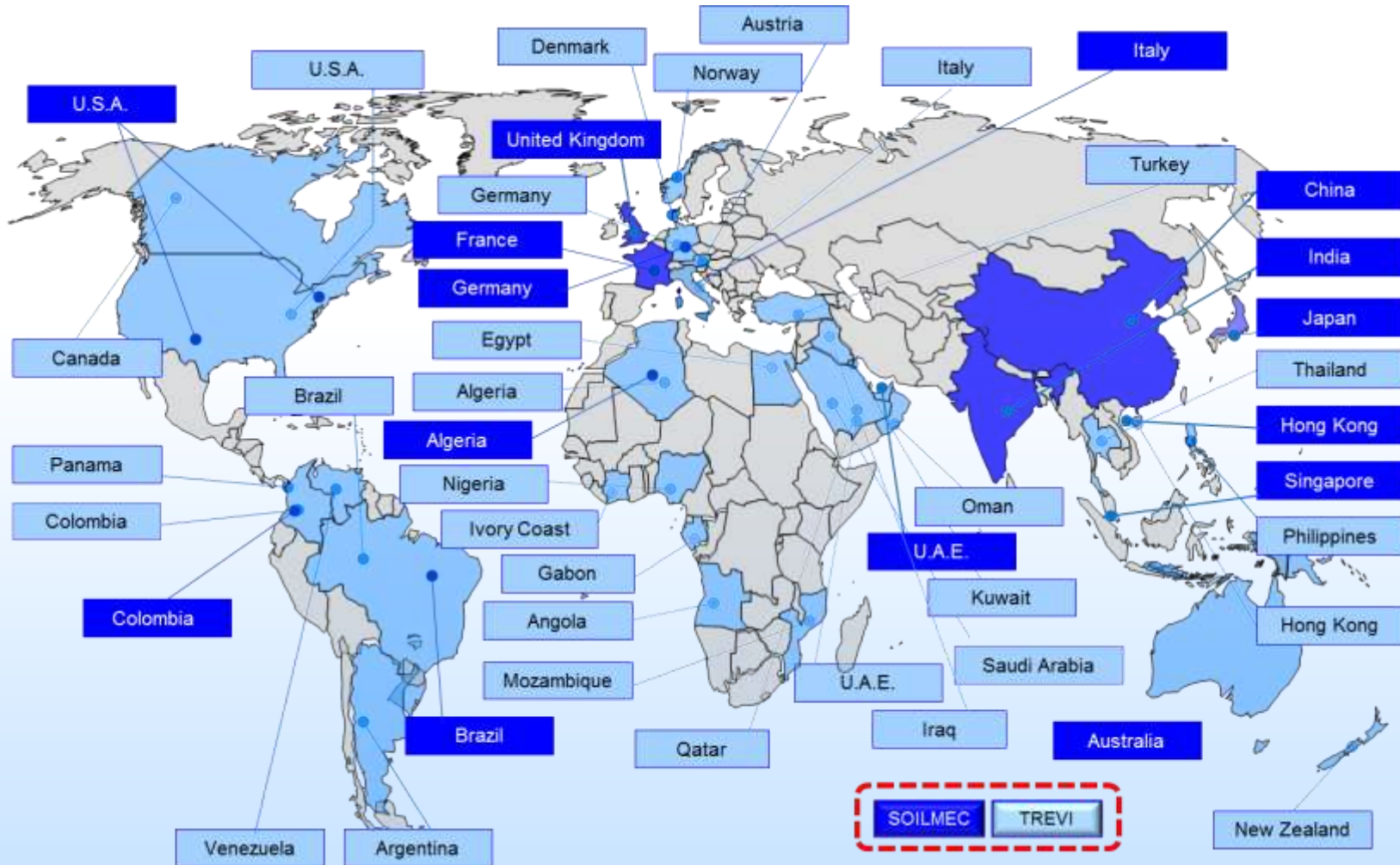


Oil drilling services

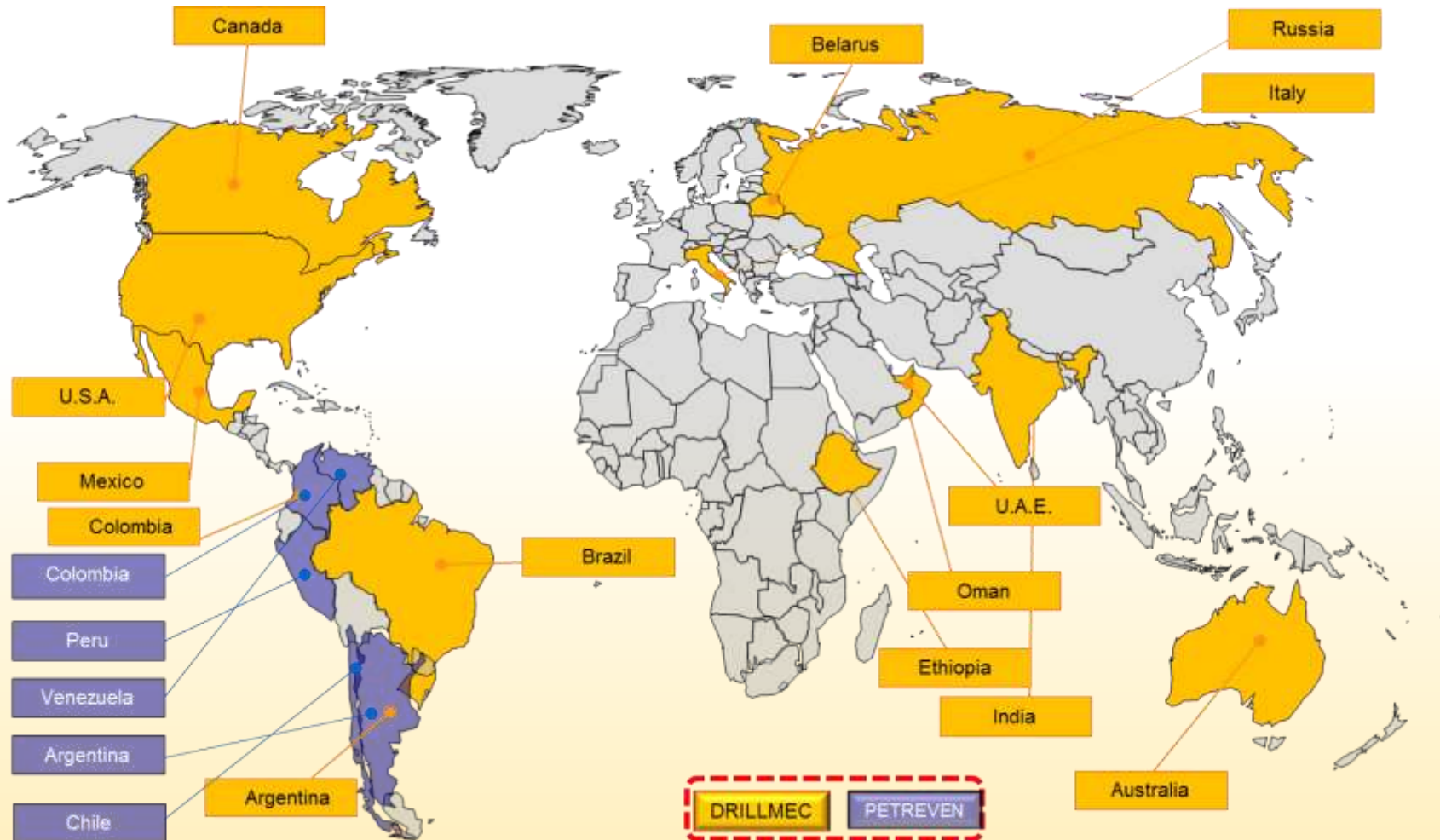
€79,5m

9M16 Revenues

Foundations Sector



Oil & Gas Sector



Group's Divisions Overlook

TREVI - Finanziaria Industriale S.p.A.

- As per the organizational improvement approved by the Board on August 28, 2015, Marco Andreasi has been appointed as Central Director.

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- Continued cash generation in the division;
 - Strong order intake in the nine month, 560 million Euro;
 - Trevi Division hard backlog represents 77% of total; it increased to 747 million Euro from 620 (9M 2015);
 - The quality of hard backlog is represented by higher implicit margins than in recent past however slow starting and postponements are affecting actual margin in the last quarter;
 - YoY operating margins increased by 50%;
 - Positive trends in international construction markets and in particular in infrastructure sector;

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- Despite of uncertain market conditions (Brexit and USA Election), Soilmecc had improvement in margins due to higher efficiency in production and commercial process;
 - Investment in HIT products is creating new major opportunities;
 - Overheads level in line with cost saving policy of the Group;
 - Improvement of NFP on YoY basis due to reduction of Inventory in international subsidiaries;



Group's Divisions Overlook

- Continued strong volatility and uncertainty in O&G. Price per barrel of petrol (Brent) increased to more than 44 dollars from the minimum of 28 touched in January (plus 57% in about 11 months);
- After suffering the slowdown in payments in the last quarter management is focused on working capital decrease through better management of receivable;
- YoY 56% decrease in revenues due to market conditions;
- Drillmec has concluded the reorganization plan and cost cutting, started in October 2015, maximum effects expected within 2°Q.17;
- Services are improved of about 40%, management is focused in offering to clients maintenance, training and engineering through medium terms contracts to improve profitability of operating drilling rigs;
- Planned investments in R&D for increasing operation efficiency and controls (DMS remote, Shale Oil design);
- Recent sign of recovery in demand of new Rigs in Middle East
- Negotiations in progress in different geographic area expected to be concluded in the next months;
- Contingency due to market uncertainty.



- 3Q16 significant recovery in revenues compared to the previous two quarters, for an increase in the utilization rate;
- Marginality challenged by more uncertain environment;
- Negotiating contracts renewals to secure continuing operations
- The net financial position has slightly improved compared to September 2015 thanks to an increased cash generation due to a working capital optimization and a reduction of receivables collection days.



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2. *9M 2016 Financial Results*

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4. Appendix

Financial Highlights

Revenues

€ 766m

Ebitda

€63m

Ebit

€-4m

Ebt

€-42m

Backlog

€968m

Net Financial Position

€489m

Financial Highlights 9M16 yoy

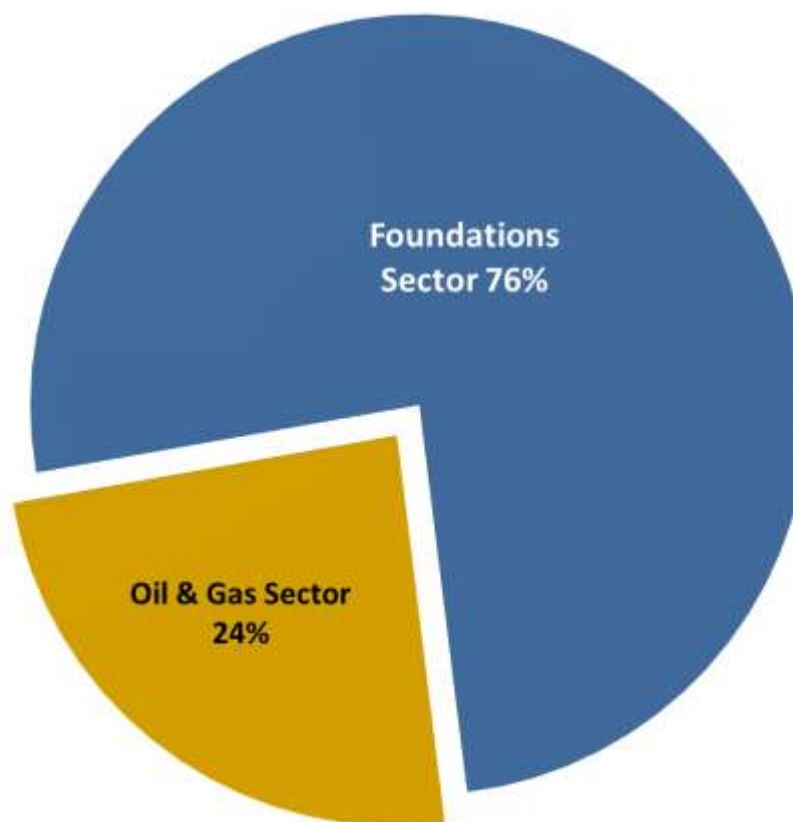
	30/09/16	%	30/09/15	%
VALUE OF PRODUCTION	808,2		991,0	
REVENUES	766,0	100,0%	956,3	100,0%
EBITDA	63,1	8,2%	(15,9)	-1,7%
EBIT	(3,8)	-0,5%	(88,6)	-9,3%
FINANCIAL COSTS	(19,9)	-2,6%	(21,3)	-2,2%
TAXES	14,6	1,9%	8,6	0,9%
NET PROFIT	(59,6)	-7,8%	(131,4)	-13,7%
	30/09/16		30/09/15	
NET CAPITAL EMPLOYED	982,3		1.083,6	
EQUITY	493,3		550,6	
NET FINANCIAL POSITION	488,8		532,8	
BACKLOG	968,1		1.117,2	
	30/09/16		30/09/15	
EMPLOYEES	7.311		7.887	

Revenues Before and After Consolidation

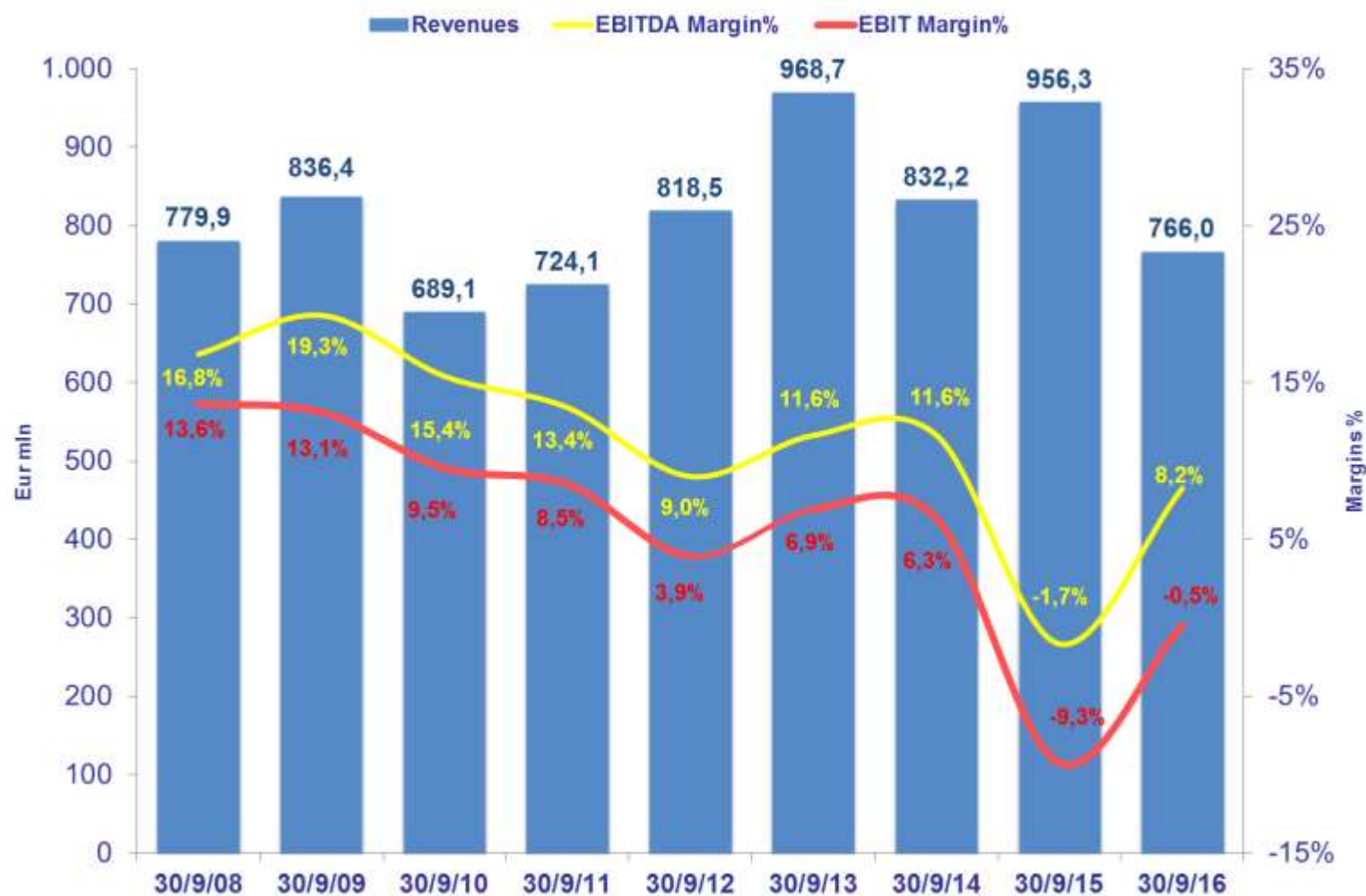
Eur mln	30/9/16	30/9/15	Δ%
Drilling Rigs (DRILLMEC)	114,2	261,8	-56,4%
Drilling Services (PETREVEN)	79,5	114,0	-30,3%
Interdivisional Adjustments and Eliminations	(1,0)	(1,5)	
Sub-Total Oil & Gas Sector	192,8	374,3	-48,5%
Special Foundation Services (TREVI)	424,8	431,1	-1,5%
Machines for Special Foundations (SOILMEC)	182,7	188,5	-3,1%
Interdivisional Adjustments and Eliminations	(15,4)	(11,4)	
Sub-Total Foundation Sector	592,0	608,1	-2,6%
Parent Company	19,9	20,2	
Interdivisional Eliminations	(38,7)	(46,3)	
TOTAL CONSOLIDATED REVENUES	766,0	956,3	-19,9%

One Group

Revenues
€ 766m

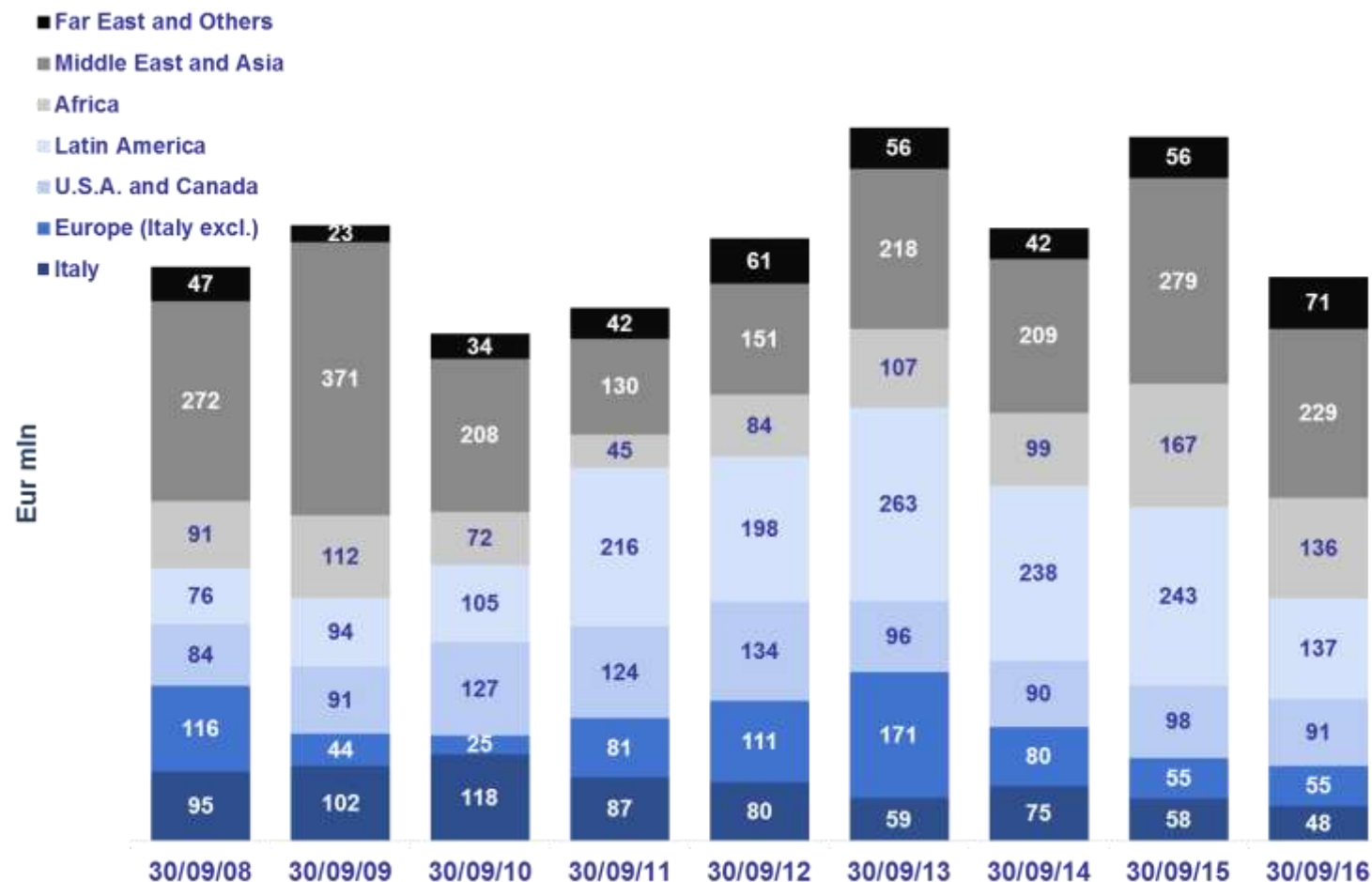


Financial Ratios

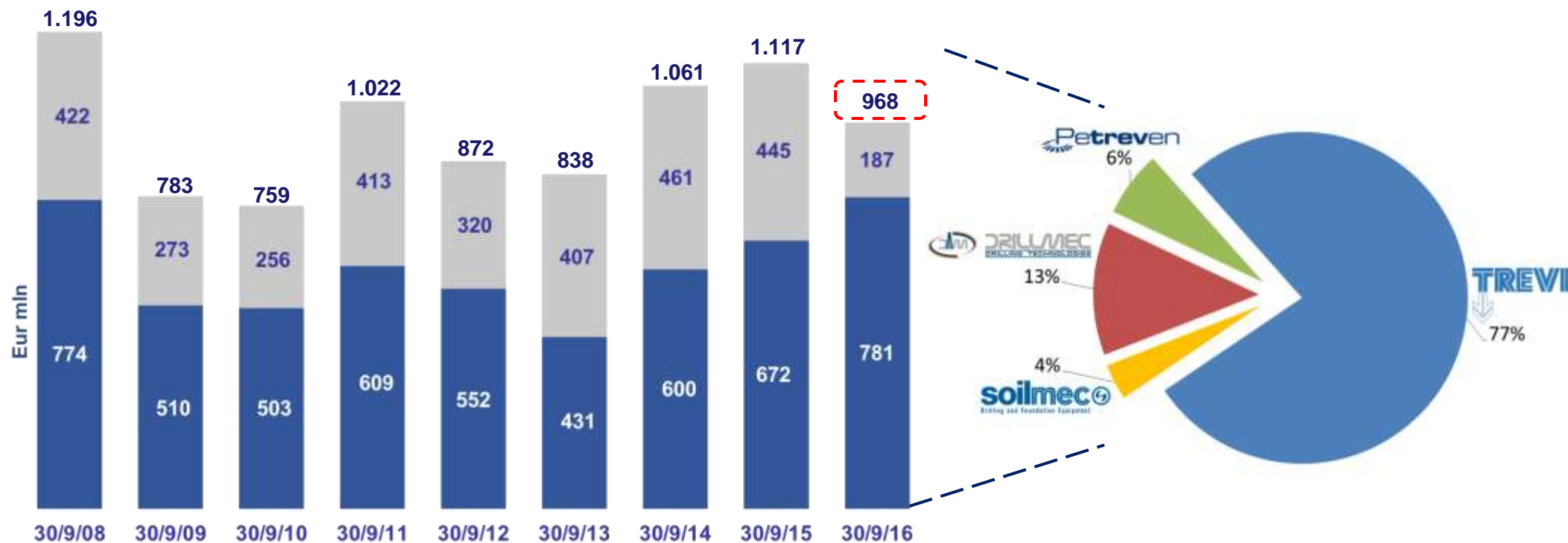




Breakdown per Geographical Area



Backlog

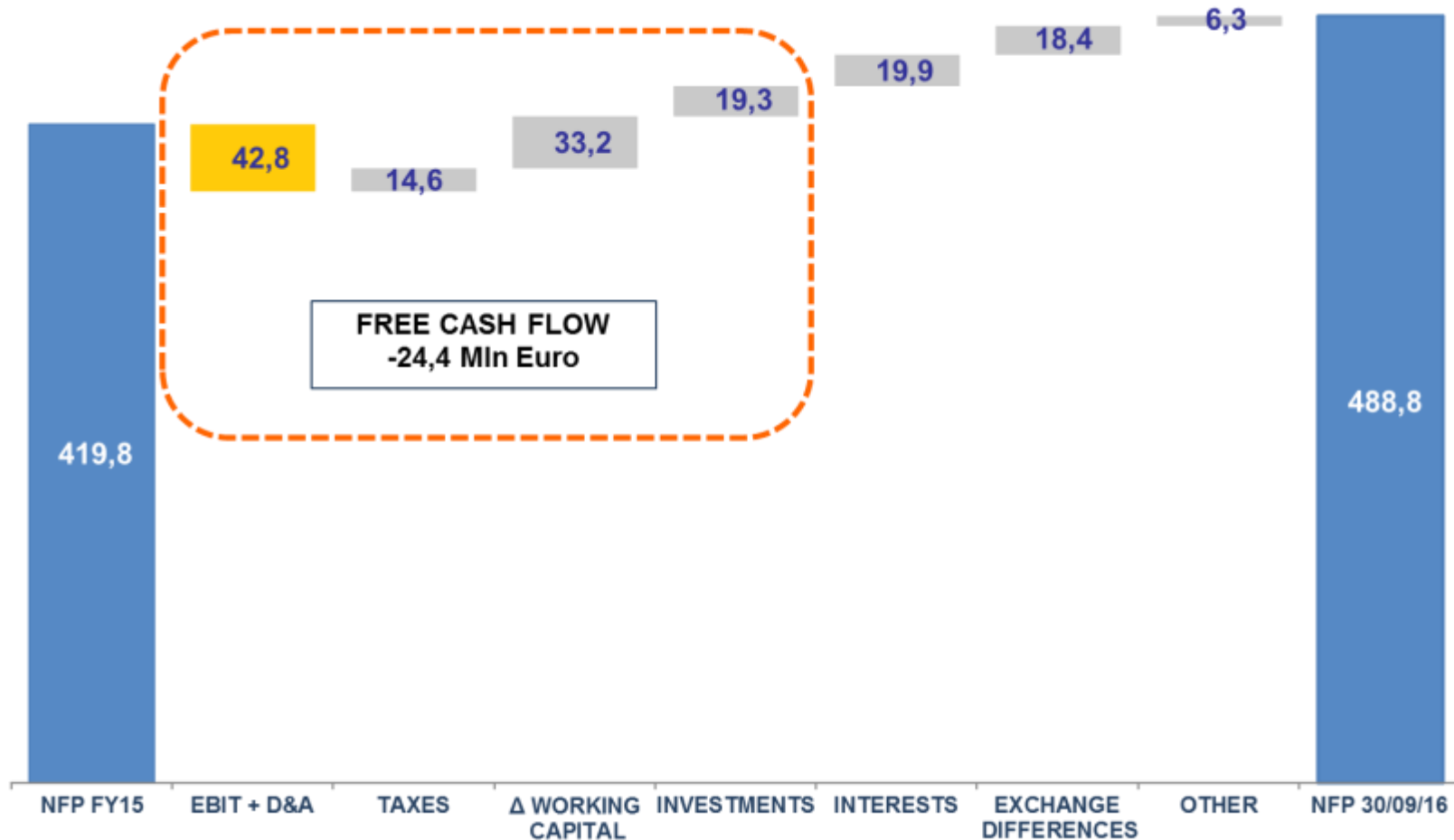


■ Foundation Sector

■ Oil & Gas Sector



Net Financial Position

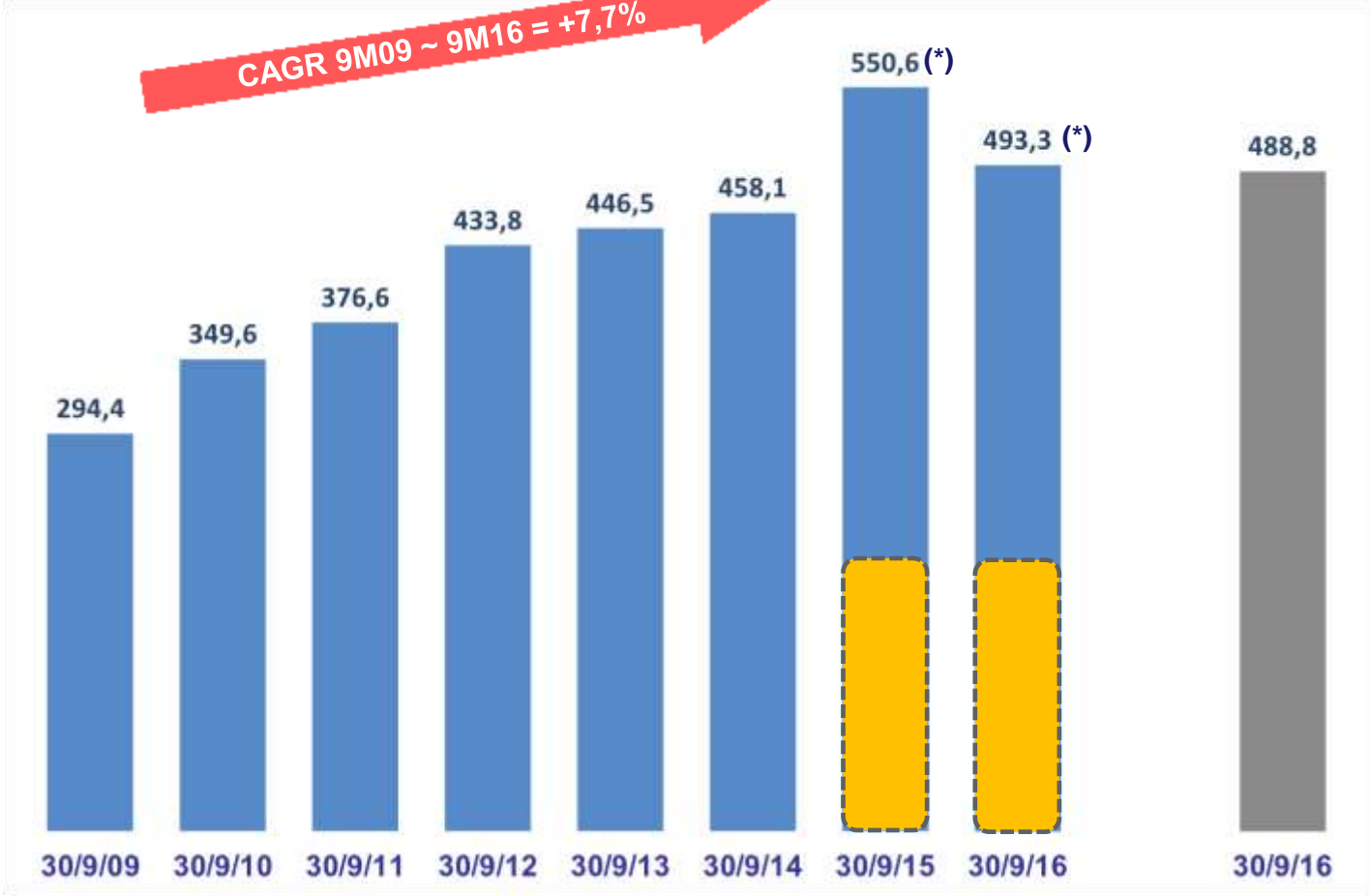


Equity and Net Financial Position

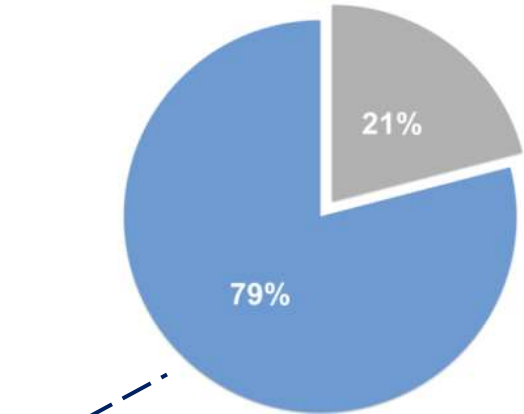
Euro mln

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

CAGR 9M09 ~ 9M16 = +7,7%



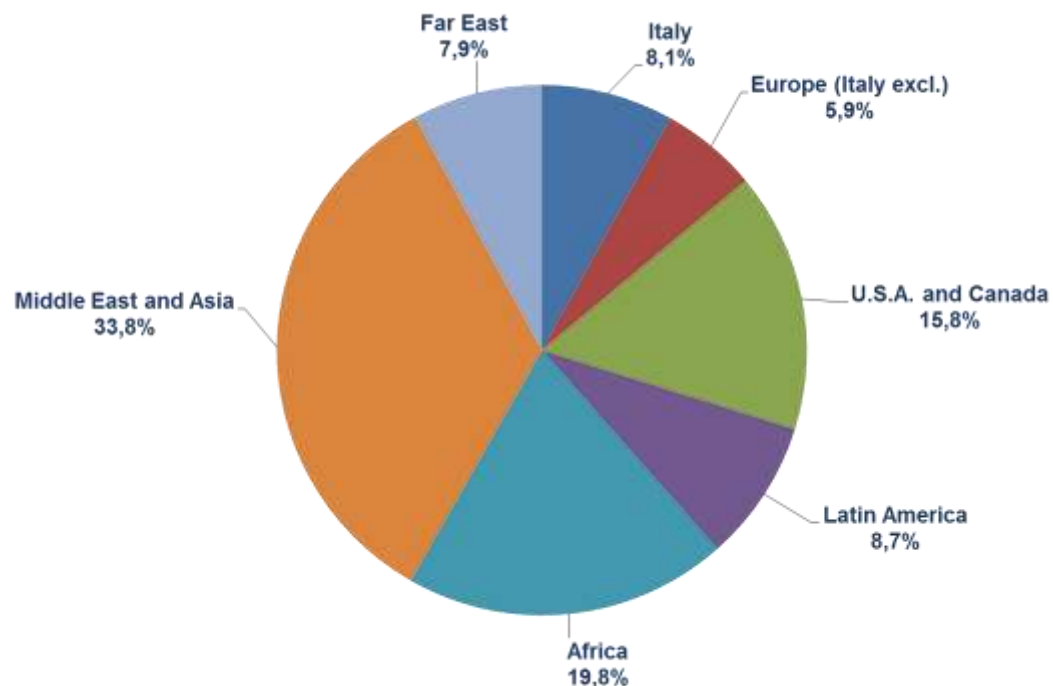
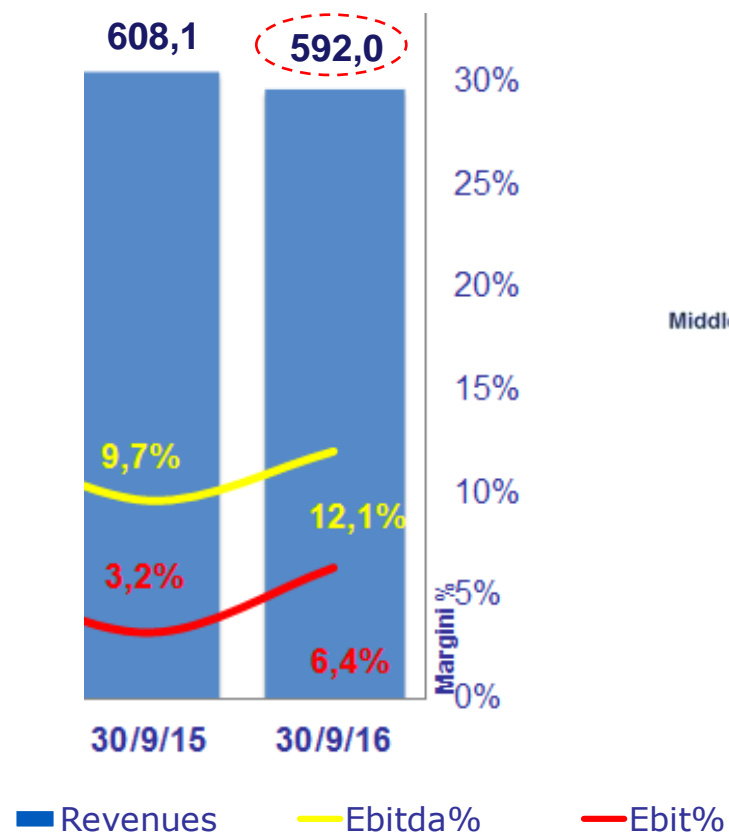
Short Term Debt
Long Term Debt



EQUITY

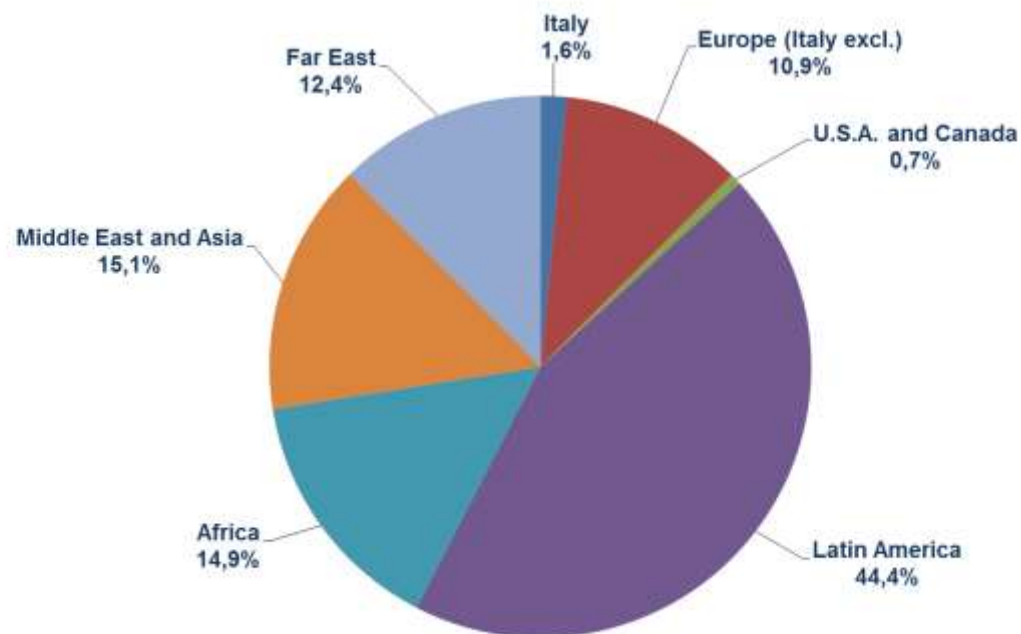
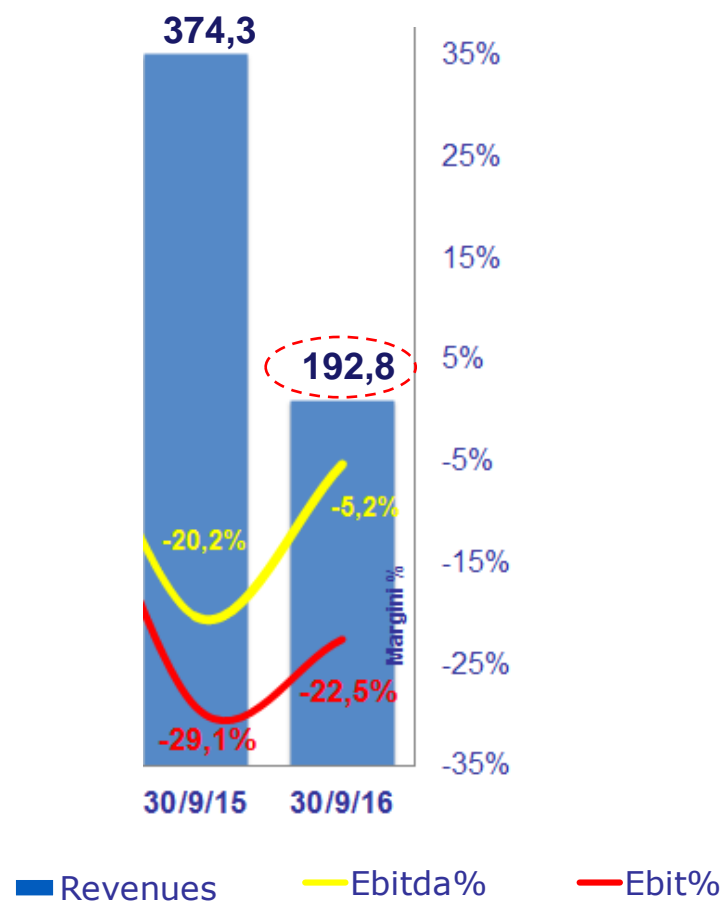
NET FINANCIAL POSITION

Foundations Sector



Based on non Consolidated Data

Oil & Gas Sector



Based on non Consolidated Data

MOSUL DAM



- *€273 million contract value*
- *Contract assigned by: Iraqi Ministry of Water Resources (MWR)*
- *The award follows an international tender issued in October 2015, which followed an expedited process*
- *Technologies: Advanced and customized drilling and cement grouting activities for the consolidation of the foundations of the dam.*
- *Other activities include: repair and maintenance of the bottom outlet tunnels will also take place as they are currently damaged*
- *Specialized courses and training for technicians and local staff for the use of Soilmec (TREVI Group) drilling rigs will also commence*
- *The presence of the Italian military forces, will ensure the safety of the more than 450 technicians and staff of TREVI*



MOSUL DAM

*Site installation:
Grouting gallery*





*Galata, Cruise Terminal,
Istanbul*

*Wynn Harbor Casino
Boston - USA*



*Brookfield Project,
Dubai
(Norman Foster)*



***Metro line
El Harrach - Algeria***



Orogel - SR-120
Soilmec Italy





soilmec®
Drilling and Foundation Equipment

***New SR-45
Soilmec Australia***

***New SC-135
Soilmec
Istanbul - Turkey***



DRILLMEC 3000hp Offshore Drilling Rig

The rig operating for SOCAR-AQS in Azerbaijan on Guneshly field - Bulla Deniz 6 platform. The rig is currently drilling with very successful performances, this unit is the 2nd one delivered by Drillmec to Socar-AQS for operations in Azeri waters.

Drillmec MR8000 in action in Kenya.

The rig drilling for Tullow Oil which in 50:50 partnership with African Oil Company is drilling in North of Kenya



PETREVEN

Project Petreven Argentina CGC



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Income Statement 9M16 vs 9M15

Eur 000	30/09/16	30/09/15
TOTAL REVENUES	766.014	956.336
Changes in inventories of finished and semi-finished products	36.527	16.434
Increase in fixed assets for internal use	5.698	18.212
Other non-ordinary operating revenues	0	0
VALUE OF PRODUCTION	808.239	990.981
Raw materials and external services	552.747	798.151
Other operating costs	12.762	12.725
VALUE ADDED	242.729	180.105
Personnel expenses	179.604	196.021
EBITDA	63.125	(15.916)
<i>% Total Revenues</i>	8,2%	-1,7%
Depreciation	46.570	45.703
Provisions and write-downs	20.371	26.949
EBIT	(3.816)	(88.568)
<i>% Total Revenues</i>	-0,5%	-9,3%
Financial revenues/(expenses)	(19.853)	(21.285)
Gains/(Losses) on exchange rates	(18.431)	(14.592)
Other Gains/(Losses)	(285)	(2)
EBT	(42.385)	(124.447)
Tax	14.649	8.643
Minorities	2.519	(1.661)
GROUP NET PROFIT	(59.554)	(131.429)

Statement of Financial Position 9M16 vs 9M15

31/12/15	Eur 000	30/09/16	30/09/15
	Fixed assets		
399.877	- Tangible fixed assets	355.986	415.638
87.150	- Intangible fixed assets	78.938	88.691
5.709	- Financial fixed assets	5.775	6.565
	Net working capital		
522.736	- Inventories	440.276	609.018
447.976	- Trade receivables	421.136	488.756
(360.541)	- Trade payables (-)	(226.851)	(310.209)
(169.413)	- Pre-payments (-)	(153.974)	(244.970)
87.485	- Other assets (liabilities)	80.843	52.443
1.020.977	Fixed assets plus net working capital	1.002.127	1.105.930
(21.225)	Post-employment benefits (-)	(19.796)	(22.299)
999.753	NET INVESTED CAPITAL	982.332	1.083.631
	<i>Financed by:</i>		
564.914	Group net shareholders' funds	483.729	537.727
14.659	Minorities' share of net shareholders' funds	9.557	12.868
420.180	Total financial indebtedness	489.046	533.038
999.753	TOTAL SOURCES OF FINANCING	982.332	1.083.632

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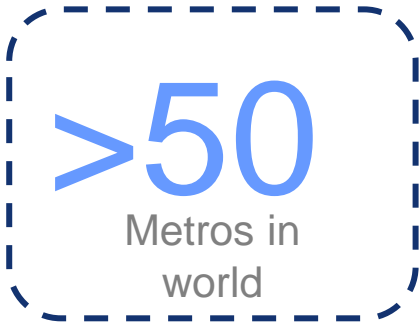
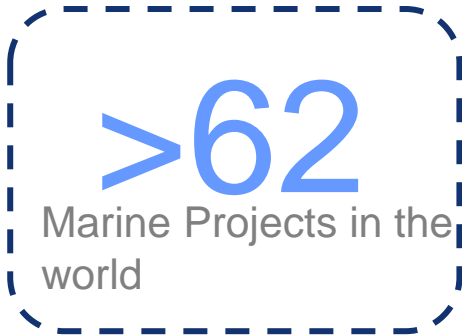
3. Q&A

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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



*Includes FSI

The Group

<i>52 Companies</i> <i>38 Countries</i> <i>69 Business Units</i>	<i>Divisions:</i> <i>Special Foundations</i> <i>Oil & Gas</i>	<i>Synergies</i> <i>Innovation</i> <i>Advantage</i>
<i>FY 2015 Results</i> <i>Revenues €1,342m</i> <i>Ebitda €9m</i> <i>Ebit €-88m</i> <i>NFP €420m</i>	<i>FY 2015 KPI</i> <i>Added Value €273m</i> <i>Backlog €949,4m</i>	<i>Employees 7,867</i> <i>FY 2015</i>

Track Record of Growth and Excellence

Revenues



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.

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