TREVI Fin. Ind. NEUTRAL

Price (Eu): 7.67

Target Price (Eu): 7.00

SECTOR: Energy

Paolo Citi +39-02-77115.430
e-mail: paolo.citi@intermonte.it

Big Jump In Net Debt

- **1Q14 results.** After the very solid operating results released in 4Q13, with EBITDA closing at Eu43mn (an EBITDA margin of 13.4%) and net debt coming in well below expectations at Eu443mn, 1Q14 figures showed a weaker quarter. In detail, revenues closed at Eu266mn (down 11% YoY, -17% QoQ, vs. Eu298mn expected), EBITDA at Eu31mn (-5% YoY, -28% QoQ, vs. Eu30mn), EBIT at Eu17mn (-3% YoY, -31% QoQ, vs. Eu14mn) and net income at zero (vs. Eu3mn in 1Q13, Eu2mn in 4Q13 and Eu4mn expected). While EBITDA benefitted from very solid margins (11.7% vs. 10.9% in 1Q13 and 13.4% in 4Q13), the bottom line was hit by higher than expected net financial charges, FOREX losses (Eu3mn) and higher minorities, only partly offset by a lower tax rate. Moving to the different divisions, Services reported EBITDA of Eu27mn in the quarter, down 2% YoY, but up 25% QoQ, with unit margins at 19.0% (vs. 18.7% in 1Q13 and 14.5% in 4Q13). The Mechanical divisions, after recording stronger than expected figures in 4Q13, reported a clear deceleration, with EBITDA closing at Eu4mn (down 22% YoY and -81% QoQ), with unit margins of 3.1% (vs. 3.3% in 1Q13 and 11.2% in 4Q13). On the balance sheet, net debt increased to Eu574mn (from Eu443mn at YE13), well above our projection (Eu505mn) reflecting the seasonality of working capital and the lack of down payments on new contracts. Finally, the backlog closed at Eu1,092mn, up from the YE13 level (Eu877mn), reflecting an order intake of Eu480mn.
- **2014 guidance:** The company gave indications for revenues in the region of Eu1.3bn and EBIT of approximately Eu70mn. The Oil & Gas division in particular is expected to show a gradual growth in activity and margins in the second part of the year, as it is actively engaged in the implementation of important onshore and offshore projects. Net debt is expected to remain at the same level as at YE13 (Eu443mn), benefitting from down payments on new contracts and improved working capital.
- **Sector outlook.** In terms of the sector outlook, Trevi said conditions in its reference markets remain very encouraging overall, and should allow it to hit the targets outlined above. Moving to the different segments, the infrastructure and construction market is showing mixed signs of recovery, but the level of competition nevertheless remains quite fierce. On the other hand, the Oil & Gas drilling segment continues to be very active, offering major growth opportunities.
- **Updated estimates and valuations.** Following 1Q results and company guidance we are reducing our projected 2014 operating margins by 10%, while cutting the bottom line by 33%, to reflect losses on FOREX and higher minorities. Target price trimmed to Eu7.00ps, based on 2015 multiples (15.0x P/E).
- **Investment case.** 1Q14 results certainly showed very solid operating margins, with EBITDA closing at a very healthy 11.7%. As in recent quarters, however, going down the P&L margins continued to suffer from higher than expected net financial charges and FOREX losses. The jump in minorities, after the recent introduction of the new IFRS 11 accounting principles, weighed the bottom line down further, as was the case in 4Q13. With net debt still on the rise, we are getting quite concerned about the company's financial structure. NEUTRAL confirmed, with a potential share price correction expected in the short term.

Key Figures	2012A	2013A	2014E	2015E	2016E
Sales (Eu mn)	1,115	1,276	1,291	1,383	1,408
Ebitda (Eu mn)	112	144	135	153	163
Net profit (Eu mn)	11	14	15	33	39
EPS - New (Eu)	0.154	0.197	0.210	0.468	0.759
EPS - Old (Eu)		0.197	0.314	0.534	0.827
DPS (Eu)	0.130	0.130	0.140	0.150	0.160

Ratios & Multiples	2012A	2013A	2014E	2015E	2016E
P/E	49.8	39.0	36.5	16.4	10.1
Div. Yield	1.7%	1.7%	1.8%	2.0%	2.1%
EV/Ebitda	8.0	6.5	7.2	6.4	5.9
ROCE	5.6%	9.3%	8.0%	9.8%	10.6%

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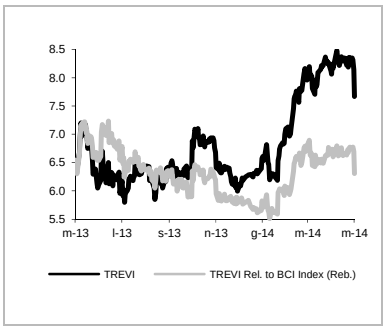
TREVI Fin. Ind. - 12m Performance



Eu/USD: 1.36x 2014; 1.35x 2015
Oil: 105 USD 2014; 100 USD 2015

RATING: Unchanged
TARGET PRICE (Eu): from 7.50 to 7.00

Change in EPS est:	2014E	2015E
	-33.1%	-12.4%

STOCK DATA

Reuters code:	TFI.MI
Bloomberg code:	TFI IM

Performance	1m	3m	12m
Absolute	-4.9%	8.1%	17.2%
Relative	-5.2%	4.2%	-4.4%
12 months H/L:			8.48/5.80

SHAREHOLDER DATA

No. of Ord. shares (mn):	64
Total No. of shares (mn):	70
Mkt Cap Ord (Eu mn):	491
Total Mkt Cap (Eu mn):	491
Mkt Float - ord (Eu mn):	206
Mkt Float (in %):	*42.0%*
Main shareholder:	
Trevisani Family	58.0%

BALANCE SHEET DATA	2014
Book value (Eu mn):	411
BVPS (Eu):	5.86
P/BV:	1.3
Net Financial Position (Eu mn):	-478
Enterprise value (Eu mn):	969

Paolo.Citi@INTERMONTE.IT

TREVI Fin. Ind. - *KEY FIGURES*		2012A	2013A	2014E	2015E	2016E
	Fiscal year end	31/12/2012	31/12/2013	31/12/2014	31/12/2015	31/12/2016
PROFIT & LOSS (Eu mn)	Sales	1,115	1,276	1,291	1,383	1,408
	EBITDA	112	144	135	153	163
	EBIT	47	80	72	92	103
	Financial income (charges)	(22)	(28)	(29)	(29)	(29)
	Associates & Others	0	0	0	0	0
	Pre-tax profit (Loss)	21	44	38	63	74
	Taxes	(9)	(15)	(15)	(24)	(28)
	Tax rate (%)	45.2%	34.0%	38.0%	38.0%	38.0%
	Minorities & discontinue activities	(1)	(15)	(9)	(7)	(7)
	Net profit	11	14	15	33	39
	Total extraordinary items	(5)	(9)	(5)	0	0
	Ebitda excl. extraordinary items	112	144	135	153	163
	Ebit excl. extraordinary items	47	80	72	92	103
	Net profit restated	11	14	15	33	39
PER SHARE DATA (Eu)	Total shares out (mn) - average fd	70	70	70	70	70
	EPS stated fd	0.154	0.197	0.210	0.468	0.759
	EPS restated fd	0.154	0.197	0.210	0.468	0.759
	BVPS fd	5.975	5.780	5.860	6.188	7.714
	Dividend per share (ord)	0.130	0.130	0.140	0.150	0.160
	Dividend per share (sav)	1.481	1.481	1.595	1.709	1.823
	Dividend pay out ratio (%)	84.4%	66.1%	66.5%	32.0%	28.6%
CASH FLOW (Eu mn)	Gross cash flow	60	69	71	88	94
	Change in NWC	3	60	(40)	(23)	(12)
	Capital expenditure	(57)	(148)	(66)	(67)	(67)
	Other cash items	2	16	9	7	7
	Free cash flow (FCF)	8	(2)	(26)	5	22
	Acquisitions, divestments & others	0	0	0	0	0
	Dividend	(9)	(9)	(9)	(10)	(11)
	Equity financing/Buy-back	0	0	0	0	0
	Change in Net Financial Position	(9)	(30)	(35)	(5)	11
BALANCE SHEET (Eu mn)	Total fixed assets	372	461	472	483	495
	Net working capital	462	542	519	556	566
	Long term liabilities	12	(130)	(67)	(80)	(78)
	Net capital employed	845	874	924	958	983
	Net financial position	(413)	(443)	(478)	(483)	(472)
	Group equity	432	431	445	475	510
	Minorities	12	25	34	41	47
	Net equity	419	406	411	434	463
ENTERPRISE VALUE (Eu mn)	Average mkt cap - current	491	491	491	491	491
	Adjustments (associate & minorities)	0	0	0	0	0
	Net financial position	(413)	(443)	(478)	(483)	(472)
	Enterprise value	904	934	969	974	963
RATIOS(%)	EBITDA margin*	10.1%	11.3%	10.4%	11.0%	11.6%
	EBIT margin*	4.3%	6.3%	5.6%	6.7%	7.3%
	Gearing - Debt/equity	95.6%	102.8%	107.3%	101.8%	92.5%
	Interest cover on EBIT	2.2	2.9	2.5	3.2	3.6
	Debt/Ebitda	3.68	3.08	3.55	3.16	2.90
	ROCE*	5.6%	9.3%	8.0%	9.8%	10.6%
	ROE*	2.6%	3.3%	3.6%	7.8%	8.8%
	EV/CE	1.1	1.1	1.1	1.0	1.0
	EV/Sales	0.8	0.7	0.8	0.7	0.7
	EV/Ebit	19.0	11.6	13.5	10.5	9.4
	Free Cash Flow Yield	1.7%	-0.5%	-5.3%	0.9%	4.4%
GROWTH RATES (%)	Sales	5.1%	14.4%	1.2%	7.1%	1.8%
	EBITDA*	-5.6%	28.0%	-6.2%	13.3%	6.5%
	EBIT*	-31.5%	69.0%	-10.3%	28.3%	11.2%
	Net profit	-57.9%	27.6%	7.0%	122.5%	19.5%
	EPS restated	-57.9%	27.6%	7.0%	122.5%	62.2%

** Excluding extraordinary items*

Source: Intermonte SIM estimates

Paolo.Citi@INTERMONTE.IT

1Q14 Results

Trevi – 1Q14 Results

(Eu mn)	1Q13	2Q13	3Q13	4Q13	2013	1Q14A	1Q14E	1Q chg. YoY	1Q chg. QoQ	AvE	2014E	FY chg. YoY
Total Revenues	**300**	**368**	**289**	**320**	**1,276**	**266**	**298**	**-11%**	**-17%**	**-11%**	**1,291**	**1%**
Total Operating	-267	-325	-263	-277	-1,132	-235	-269	-12%	-15%	-12%	-1,156	2%
EBITDA	**33**	**43**	**25**	**43**	**144**	**31**	**30**	**-5%**	**-28%**	**5%**	**135**	**-6%**
Margin (%)	10.9%	11.6%	8.8%	13.4%	11.3%	11.7%	9.9%				10.4%	
Depr/ Provisions	-15	-17	-13	-18	-64	-14	-16	-8%	-24%	-10%	-63	-1%
EBIT	**17**	**26**	**12**	**25**	**80**	**17**	**14**	**-3%**	**-31%**	**23%**	**72**	**-10%**
Margin (%)	5.8%	7.1%	4.3%	7.7%	6.3%	6.4%	4.6%				5.6%	
Net Fin. Charges	-6	-7	-7	-7	-28	-8	-6	24%	5%	21%	-29	4%
Other	-3	-4	-3	1	-9	-3	0				-5	
Net Oper. Margin	**9**	**15**	**2**	**19**	**44**	**7**	**8**	**-25%**	**-65%**	**-13%**	**38**	**-12%**
Taxes	-4	-6	-1	-4	-15	-2	-3	-62%	-57%	-50%	-15	-2%
Tax Rate %	50.4%	37.9%	60.6%	20.6%	34.0%	25.2%	44.0%				38.0%	
Net Income	**4**	**9**	**1**	**15**	**29**	**5**	**4**	**14%**	**-67%**	**17%**	**24**	**-18%**
Minorities	2	1	0	13	15	5	1				9	-40%
Group Net Income	**3**	**8**	**1**	**2**	**14**	**0**	**4**				**15**	**7%**
Capex	**28**	**10**	**26**	**35**	**98**	**18**	**17**	**-6%**	**-4%**	**-1%**	**66**	**3%**
Equity	**455**	**445**	**433**	**448**	**431**	**429**	**435**	**-6%**	**-4%**	**-1%**	**445**	**3%**
Net Debt	**467**	**462**	**505**	**443**	**443**	**574**	**505**	**23%**	**30%**	**14%**	**478**	**8%**
CE	**922**	**907**	**938**	**890**	**874**	**1,003**	**940**	**9%**	**13%**	**7%**	**924**	**6%**
ROACE	5.7%	8.6%	3.9%	8.3%	6.6%	5.1%	4.4%				5.6%	
D/E Ratio	**1.03**	**1.04**	**1.17**	**1.03**	**1.03**	**1.34**	**1.16**				**1.07**	
Backlog	**1,109**	**931**	**838**	**877**	**877**	**1,092**	**1,025**	**-2%**	**25%**	**7%**	**877**	**0%**

Source: Company data and Intermonte SIM estimates.

Trevi – Divisional Breakdown

	1Q12	2Q12	3Q12	4Q12	2012	1Q13	2Q13	3Q13	4Q13	2013	1Q14	1Q Chg YoY	1Q Chg QoQ
Services (Trevi and Petreven)													
Revenues	140	135	130	153	558	149	156	146	152	602	145	-3%	-4%
EBITDA	**26**	**19**	**16**	**20**	**81**	**28**	**27**	**18**	**22**	**95**	**27**	**-2%**	**25%**
EBITDA margin (%)	18.3%	14.2%	12.0%	13.2%	14.4%	18.7%	17.4%	12.1%	14.5%	15.7%	19.0%		
EBIT	**17**	**9**	**5**	**1**	**31**	**16**	**15**	**9**	**9**	**48**	**17**	**9%**	**101%**
EBIT margin (%)	11.9%	6.3%	3.6%	0.8%	5.6%	10.7%	9.6%	6.0%	5.7%	8.0%	12.0%		
Equipment (Soilmec and Drillmec)													
Revenues	175	151	105	153	583	157	216	151	189	713	129	-18%	-32%
EBITDA	**6**	**8**	**-1**	**19**	**32**	**5**	**17**	**8**	**21**	**51**	**4**	**-22%**	**-81%**
EBITDA margin (%)	3.3%	5.3%	-1.2%	12.6%	5.4%	3.3%	7.7%	5.5%	11.2%	7.2%	3.1%		
EBIT	**2**	**4**	**-5**	**15**	**16**	**2**	**12**	**4**	**16**	**34**	**0**	**NM**	**NM**
EBIT margin (%)	1.3%	2.7%	-4.6%	9.7%	2.8%	1.1%	5.6%	2.8%	8.4%	4.8%	0.0%		

Source: Company data and Intermonte SIM estimates.

Trevi – Revenues geographical breakdown

	1Q12	2Q12	3Q12	4Q12	2012	1Q13	2Q13	3Q13	4Q13	2013	1Q14	1Q Chg YoY	1Q Chg QoQ
Italy	36	24	20	25	105	24	18	17	38	97	23	-5%	-39%
Europe (ex Italy)	47	35	28	53	163	48	62	61	61	231	37	-23%	-39%
US and Canada	55	40	39	38	172	28	29	23	57	137	37	36%	-35%
LatAm	80	57	60	87	285	69	127	67	78	341	66	-4%	-15%
Africa	16	39	30	26	111	33	33	41	35	142	31	-5%	-11%
Middle East	54	59	37	44	195	80	80	58	39	257	56	-30%	43%
Far East	19	23	19	24	86	19	16	21	16	72	16	-18%	-5%
Total	**308**	**277**	**234**	**297**	**1,115**	**300**	**364**	**289**	**324**	**1,276**	**266**	**-11%**	**-18%**
Italy	12%	9%	9%	8%	9%	8%	5%	6%	12%	8%	9%		
Europe (ex Italy)	15%	13%	12%	18%	15%	16%	17%	21%	19%	18%	14%		
US and Canada	18%	15%	17%	13%	15%	9%	8%	8%	18%	11%	14%		
LatAm	26%	21%	26%	29%	26%	23%	35%	23%	24%	27%	25%		
Africa	5%	14%	13%	9%	10%	11%	9%	14%	11%	11%	12%		
Middle East	18%	21%	16%	15%	17%	27%	22%	20%	12%	20%	21%		
Far East	6%	8%	8%	8%	8%	6%	4%	7%	5%	6%	6%		
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**		

Source: Company data and Intermonte SIM estimates.

Paolo.Citi@INTERMONTE.IT

Financials

Trevi – Income Statement

(Eu mn)	2009	2010	2011	2012	2013	2014E	2015E	2016E	2017E
Total Revenues	**1,036**	**953**	**1,061**	**1,115**	**1,276**	**1,291**	**1,383**	**1,408**	**1,432**
Total Operating Costs	-854	-816	-942	-1,003	-1,132	-1,156	-1,231	-1,245	-1,257
EBITDA	**182**	**137**	**119**	**112**	**144**	**135**	**153**	**163**	**175**
Margin %	17.6%	14.4%	11.2%	10.1%	11.3%	10.4%	11.0%	11.6%	12.2%
Depr. Prov's. and Write-downs	-64	-53	-50	-65	-64	-63	-60	-60	-59
EBIT	**117**	**84**	**69**	**47**	**80**	**72**	**92**	**103**	**115**
Margin %	11.3%	8.8%	6.5%	4.3%	6.3%	5.6%	6.7%	7.3%	8.0%
Net Financial Charges	-18	-14	-18	-22	-28	-29	-29	-29	-28
Other Charges and Income	5	0	0	-5	-9	-5	0	0	0
Net Operating Margin	**105**	**70**	**51**	**21**	**44**	**38**	**63**	**74**	**88**
Taxes	-20	-25	-24	-9	-15	-15	-24	-28	-33
Tax Rate %	19.5%	34.9%	47.2%	45.2%	34.0%	38.0%	38.0%	38.0%	38.0%
Net Income	**84**	**46**	**27**	**12**	**29**	**24**	**39**	**46**	**54**
Minorities	2	-1	1	1	15	9	7	7	7
Group Net Income	**82**	**46**	**26**	**11**	**14**	**15**	**33**	**39**	**48**

Source: Company data and Intermonte SIM estimates.

Trevi – EBIT Breakdown

(Eu mn)	2009	2010	2011	2012	2013	2014E	2015E	2016E	2017E
EBIT	**117**	**84**	**69**	**47**	**80**	**72**	**92**	**103**	**115**
Margin %	11.3%	8.8%	6.5%	4.3%	6.3%	5.6%	6.7%	7.3%	8.0%
Foundation Services (Trevi)	72	50	27	38	46	40	48	49	49
Margin %	14.6%	11.9%	6.7%	8.4%	9.5%	8.2%	9.0%	9.1%	9.3%
Foundation Equipment (Soilmec)	4	4	-3	-5	5	6	9	15	20
Margin %	2.3%	1.8%	-1.2%	-2.1%	2.5%	2.5%	3.9%	6.0%	8.0%
Drilling Services (Petreven)	11	10	7	4	6	7	10	11	13
Margin %	17.5%	12.2%	6.8%	3.6%	4.7%	5.4%	6.5%	7.1%	7.7%
Drilling Equipment (Drillmec)	30	28	41	26	31	26	31	34	38
Margin %	9.8%	9.9%	11.0%	7.4%	6.4%	5.4%	6.1%	6.5%	7.3%

Source: Company data and Intermonte SIM estimates.

Trevi – Balance Sheet

(Eu mn)	2009	2010	2011	2012	2013	2014E	2015E	2016E	2017E
Fixed assets	336	341	364	372	461	472	483	495	508
Net working capital	441	438	495	493	432	472	496	508	514
Gross inv. capital	**776**	**780**	**860**	**864**	**894**	**944**	**978**	**1,003**	**1,022**
Severance provision	-17	-17	-18	-19	-20	-20	-20	-20	-20
Net invested capital	**760**	**763**	**842**	**845**	**874**	**924**	**958**	**983**	**1,002**
Group sharehold. equity	302	354	426	419	406	411	434	463	499
Minority interests	14	12	12	12	25	34	41	47	54
Total Equity	**316**	**367**	**438**	**432**	**431**	**445**	**475**	**510**	**553**
Net financial position	**-444**	**-396**	**-404**	**-413**	**-443**	**-478**	**-483**	**-472**	**-449**
Total cover	**760**	**763**	**842**	**845**	**874**	**924**	**958**	**983**	**1,002**

(1) 2011E net debt discounts a Eu70mn cash-in from bond conversion. Source: Company data and Intermonte SIM estimates.

Trevi – Cash Flow Statement

(Eu mn)	2009	2010	2011	2012	2013	2014E	2015E	2016E	2017E
Net fin position beg of year	**-322**	**-444**	**-396**	**-404**	**-413**	**-443**	**-478**	**-483**	**-472**
Net income	84	46	27	12	29	24	39	46	54
Depreciation	42	45	46	49	55	56	55	55	54
Cash flow from operations	**126**	**91**	**73**	**61**	**84**	**80**	**95**	**101**	**109**
Change in working capital	-160	3	-56	4	61	-40	-23	-12	-6
Operating cash flow	**-34**	**94**	**17**	**65**	**145**	**40**	**71**	**89**	**102**
Investments	-82	-57	-68	-57	-148	-66	-67	-67	-68
Free cash flow	**-115**	**37**	**-51**	**8**	**-2**	**-26**	**5**	**22**	**35**
Dividends	-8	-8	-8	-9	-9	-9	-10	-11	-11
Other movements	1	19	51	-8	-18	0	0	0	0
Cash flow	**-122**	**48**	**-8**	**-9**	**-30**	**-35**	**-5**	**11**	**24**
Net fin position end of year	**-444**	**-396**	**-404**	**-413**	**-443**	**-478**	**-483**	**-472**	**-449**

Source: Company data and Intermonte SIM estimates.

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Share Price Performance and Multiples Comparison

Trevi Peer Group - Absolute Performances

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
Trevi	**7.67**	**EUR**	**538**	**-4.9%**	**8.1%**	**19.7%**	**21.9%**	**17.2%**	**121.2%**
Bauer	19.90	EUR	317	-0.1%	-5.3%	1.6%	-1.6%	-14.4%	9.0%
Keller	813.0	GBP	824	-6.6%	-22.9%	-4.0%	-16.3%	4.6%	114.8%
Impregilo	3.96	EUR	1,916	-2.0%	-9.0%	-17.5%	-13.2%	1.9%	47.7%
Astaldi	5.31	EUR	722	-2.9%	4.0%	0.8%	-4.1%	33.5%	50.2%
Caterpillar	85.9	USD	47,878	3.2%	8.5%	23.2%	16.1%	13.2%	5.5%
Atlas Copco	181.9	SEK	26,391	4.9%	7.3%	6.1%	8.8%	8.6%	35.9%
Sandivik	98.6	SEK	13,034	2.1%	2.5%	1.5%	1.4%	-5.9%	-0.3%
Foundations Serv.&Equip. avg				**-0.2%**	**-2.1%**	**1.7%**	**-1.3%**	**5.9%**	**37.5%**
FTSE Italy All Share	**21,760**	**EUR**		**-2.1%**	**0.2%**	**9.4%**	**7.7%**	**17.2%**	**51.7%**
FTSE Italy Mid Cap	**28,170**	**EUR**		**-3.8%**	**0.9%**	**12.7%**	**7.3%**	**32.6%**	**76.2%**

Source: Factset

Trevi Peer Group - Multiple Comparison

Stock	Price	Ccy	Mkt cap	EV/Sales 2014	EV/Sales 2015	EV/Ebitda 2014	EV/Ebitda 2015	P/E 2014	P/E 2015	Div Yield 2014	Div Yield 2015
Trevi	**7.67**	**EUR**	**538**	**0.8**	**0.7**	**7.2**	**6.4**	**36.5**	**16.4**	**1.8%**	**2.0%**
Bauer	19.90	EUR	317	0.7	0.6	5.6	4.7	9.4	0.5	1.1%	2.2%
Keller	813.0	GBP	824	0.5	0.4	5.6	4.8	10.4	0.3	2.8%	3.0%
Impregilo	3.96	EUR	1,916	0.5	0.4	4.5	3.6	10.3	0.1	1.3%	1.9%
Astaldi	5.31	EUR	722	0.6	0.5	4.8	4.5	6.3	0.2	2.9%	3.7%
Caterpillar	85.9	USD	47,878	1.2	1.1	7.8	6.8	14.5	1.4	2.3%	2.4%
Atlas Copco	181.9	SEK	26,391	2.7	2.5	12.4	11.1	16.9	0.6	3.0%	3.2%
Sandivik	98.6	SEK	13,034	1.7	1.6	9.6	8.5	14.4	0.4	3.8%	4.3%
Foundations Serv.&Equip. avg				**0.7**	**0.6**	**5.6**	**4.8**	**10.4**	**0.4**	**2.8%**	**3.0%**
Foundations Serv.&Equip. avg excl HD				**0.6**	**0.6**	**5.6**	**4.8**	**10.3**	**0.4**	**2.5%**	**2.7%**

Source: Intermonte SIM estimates for Trevi and Factset consensus estimates for peer group

Trevi - Estimates Comparison with Consensus

	2014E			2015E		
(Eu mn)	**Intermonte**	**Cons.**	**% diff**	**Intermonte**	**Cons.**	**% diff**
Revenues	1,291	1,297	-0.5%	1,383	1,359	1.8%
Ebitda	135	147	-8.2%	153	161	-5.0%
Net Profit	15	22	-33.6%	33	31	7.4%
EPS	0.21	0.32	-34.2%	0.47	0.44	6.4%
Net Debt	-478	-428	-11.7%	-483	-419	-15.2%

Source: Intermonte SIM estimates and Factset (45 days consensus estimates)

Paolo.Citi@INTERMONTE.IT

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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;

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DETAILS ON STOCKS RECOMMENDATION

Stock NAME	**TREVI Fin. Ind.**		
Current Recomm:	NEUTRAL	Previous Recomm:	NEUTRAL
Current Target (Eu):	7.00	Previous Target (Eu):	7.50
Current Price (Eu):	7.67	Previous Price (Eu):	7.84
Date of report:	16/05/2014	Date of last report:	26/03/2014

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Paolo.Citi@INTERMONTE.IT