

**Snai (SNA-IT)****U.R.****3Q'11 weak as expected, deteriorating scenario**

		2011E	2012E	
Last (€)	1,79	P/E (x)	69,0	8,6
Valuation Range (€)	2.9-3.3	EV/EBITDA (x)	4,7	3,2
Mkt Cap (€m)	207	Div. Yield	0,0%	0,0%
Free Float	49,4%	EV/IC (x)	0,8	0,7
Av Daily Vol (m sh.)	0,08	ROIC	2,0%	5,2%
YTD	-33.97%	FCF Yield	-42,5%	37,7%
		Debt/Equity	113,0%	86,5%

Snai reported a weak set of 3Q'11 results, in line with our expectations

- Sales at €120m, down 11.4% vs 3Q'10
- EBITDA at €15m, from €26m reported in 3Q'10
- Net loss at €9.6m, from the loss of €3.4m reported in 3Q'10
- Net debt at €361m, increasing from €350m reported at 1H'11

Update about Cogetech merger: the two companies are still in talks in order to define the last details. The merger is expected to be announced by the end of the year.

And Fidentiis says...

The quarterly results were almost in line with our expectations, with an EBITDA that was 5% below our estimates.

The increasing net debt was quite unexpected and impacted by a NWC absorption.

We put our estimates and rating under review. We have to factor in the larger taxation, accordingly to the recently approved stability law and a lower than expected cash generation.

Snai is currently trading at 3.6x and 12x on '12E EV/EBITDA and PE, based on our old estimates.

Analyst: Andrea Balloni**Tel:** +39 02 36 705 206**Email:** ab@fidentiis.com**Trevi (TFI-IT)****U.R.****Main point from yesterday's conference call**

		2011E	2012E	
Last (€)	6,47	P/E (x)	6,7	4,7
Valuation Range (€)	13.5-13.9	EV/EBITDA (x)	5,1	3,9
Mkt Cap (€m)	407	Div. Yield	2,2%	2,2%
Free Float	44,8%	EV/IC (x)	1,0	0,9
Av Daily Vol (m sh.)	0,24	ROIC	9,4%	12,4%
YTD	-40.03%	FCF Yield	8,8%	11,0%
		Debt/Equity	87,4%	65,7%

Main highlight from the conference call.

- 3Q'11 margins, below our estimates/Consensus, were mainly affected by both larger inventories and a lower than expected profitability of the equipment division. The larger than expected inventories, with an increasing value of production, will lead to a partial recovery in 4Q'11 when Trevi will deliver some big orders related to the drilling division. The lower than expected profitability of the equipment division, on the contrary, will lead to an estimates revision on the FY.
- Capex will be lower than expected. In 9M'11 Trevi reported capex in the range of €54m. On a FY we will reduce our expectations from €75m to €65m in light of the lack of Mozul contract
- FY net debt will be slightly below 9M'11 level, in the range of €380m. Consensus is set at €353m, Fidentiis at €368m