

## Trevi Group (Industrial engineering)

			2011	2012E	2013E	2014E	
Rating	Hold		Adj. EPS (EUR)	0.37	0.34	0.43	0.51
Share price (EUR)	5.1	10-Sep-12	Adj. P/E	nm	14.9	11.7	10.0
Target price (EUR)	4.8		Dividend ord. (EUR)	0.13	0.12	0.11	0.13
Market cap (EURm)	356		Dividend Yield	1.5%	2.3%	2.2%	2.6%

Source: Kepler Capital Markets

### = Outlook confirmed

Yesterday the top management of Trevi Group held an analyst meeting on the strategy and business outlook, providing some indications on 2012 and onwards.

They confirm 2012 revenues to be growing YOY, with a broad stability in terms of EBITDA and net debt, while targeting 2013 as a sound year. In the short-term they are confident of being awarded a large contract (likely 1.5 years of execution) for Drillmec in North America, breaking into the segment of offshore drilling and benefiting from an advance payment, whose absence led to temporary spikes of the net debt for another large contract in drilling (Pemex worth USD105m).

Both our estimates and the consensus for 2012 are similar to the company guidance (we expect revenues up 5% YOY, EBITDA 0.5% YOY and net debt -0.5% YOY), leading us to reiterate our Hold rating with a EUR4.8 target price.

filippo.prini@keplercm.com  
+39 02 8550 7226

## Piaggio (Automobiles & parts)

			2011	2012E	2013E	2014E	
Rating	Buy		Adj. EPS (EUR)	0.13	0.12	0.16	0.22
Share price (EUR)	2.1	10-Sep-12	Adj. P/E	19.4	18.1	13.5	9.5
Target price (EUR)	2.4		Dividend ord. (EUR)	0.08	0.08	0.09	0.13
Market cap (EURm)	793		Dividend Yield	3.3%	3.8%	4.2%	6.0%

Source: Kepler Capital Markets

### ↓ Indian sales in transition, Vespa growth halted

Yesterday SIAM (the association of Indian vehicle producers) released data on motor vehicle registrations in India for August.

Indian domestic sales for Piaggio were as follows: decline in sales of small 3-wheelers slowed to a minus 0.9% YOY at 16.3k (from -4.9% YOY and 15.7k in July), being down 5.4% YOY to 71.5k in April-August for a 35.6% market share (the market was down 0.2% YOY in August and up 0.6% in April-August); CV sales plunged 80% YOY, in line with the previous month's trend ahead of the introduction of the new in-house 1,000cc diesel engine in the fall to effectively play in the <1Ton cargo segment; Vespa (launched in late April) unexpectedly declined from 3.5k in July to 2.7k in August (11.1k sold and 12.3k produced in April-August) in a growing, although slowing-down, market for scooters (+9.9% YOY in August, +23% in April-August).

India is a key market for Piaggio: sales of light passenger/commercial vehicles (three/four-wheelers) accounted for 21% of group sales in H1 2012 after being down 18% YOY and Piaggio recently stepped into the 13m-wide Indian two-wheeler market with Vespa, its flagship product, manufactured in the Baramati plant (150k capacity to be raised to 300k in 2013). We believe that the ramp up of Vespa sales (actually below our expectations in August and very likely going short of the 40k they guided for at the end of July and to which our estimates are aligned) and the launch of Apé City petrol to enter the small Pax segment (half of Indian 3-wheel passenger vehicles) may however support a turnaround in H2 sales in India (we expect a +17% YOY in H2 after a -16% YOY in H1).

gianantonio.villani@keplercm.com  
+39 02 8550 7216