



COMPANY NEWS - SMALL CAP

Trevi (TFI-IT)**BUY**

*No major news from today's conference call, as expected.
Mozul dam to be awarded in 2 months?*

			2010E	2011E
Last (€)	8,88	P/E (x)	8,7	7,9
Valuation Range (€)	13.5-14.3	EV/EBITDA (x)	6,1	5,3
Mkt Cap (€m)	554	Div. Yield	1,5%	1,5%
Free Float	44,8%	EV/IC (x)	1,3	1,2
Av Daily Vol (m sh.)	0,20	ROIC	17,8%	14,6%
YTD	-19.49%	FCF Yield	-21,5%	17,0%
		Debt/Equity	60,1%	51,4%

No major news came out from today's Trevi Conference call which commented 3Q results issued last week.

Company guidance are unchanged, with a 2010E level of Sales forecast in the range of €1bn.

After the last estimates fine-tuning, we now expect on 2010:

- Sales at €997m vs Consensus at €978m
- EBITDA at €146m vs Consensus at €149m
- Net profit at €56m vs Consensus at €65m

Potential Risk

2010E shouldn't show further surprises on numbers for Trevi: the Focus has to move to 2011. On EBITDA, we forecast a slightly higher level at €148m with a Consensus that is 9.5% higher.

In our view, in case of lack of new big service orders awarded over the next 5 months, a potential downward revision of the Consensus is very likely.

Catalyst

The order intake: we are still waiting for 1) Mozul dam work (€1bn) in Iraq and 2) at least one big dam to restructure in US (out of 5 which should be awarded in the short period). **Mozul dam, particularly, is a priority for the Iraqi new Government: according to Trevi CEO, the work should be awarded in 2 months.**

Trevi remains very cheap, trading on our estimates **5.6x and 8.7x on '11E EV/EBITDA and PE.**

Buy on the cheap valuation.

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