

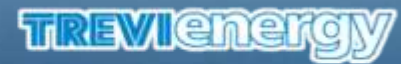
# TREVI Group

## 2016 First Half Results

Ended 30<sup>th</sup> June 2016

## Presentation to the Financial Community

Milan, 09<sup>th</sup> September 2016



# **1. TREVI Group**

## **2. 1H 2016 Financial Results**

## **3. Foundation Sector**

## **4. Oil & Gas Sector**

## **5. Appendix**

# TREVI-Finanziaria Industriale S.p.A.

TREVI Group

**TREVI**

Special foundation services

**€278,1m**



Oil drilling rigs

**€92,2m**

## 1H16 Revenues

**soilmeco**  
Drilling and Foundation Equipment

Special foundation rigs

**€124,5m**

**Petreven**

Oil drilling services

**€50,6m**

# TREVI

Special foundation services

€278,1m

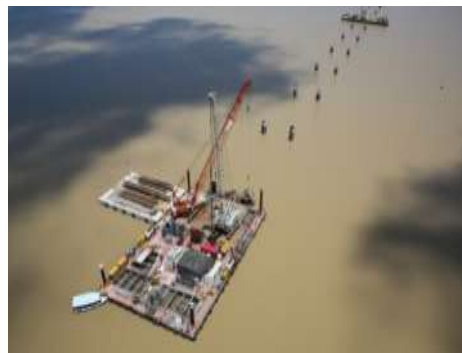
1H16 Revenues



Geotechnical Works



Environment



Marine Works



Deep Foundations



Tunnel Consolidation



Special foundation rigs

€124,5 mln

1H16 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







**Land Rigs**



**Hydraulic Drilling Rigs**



**Mud Pumps**



**Drawworks**



**Modular Offshore**



**Conventional Packages**



**AHEAD Rigs**



**Top Drives**



**Oil drilling rigs**

**€92,2m**

*1H16 Revenues*

## ARGENTINA:

7 RIGS HH102



2 RIGS HH220



## PERU':

2 RIGS HH102



## CILE:

1 RIG HH220

1 RIG HH102



1 WO HH102

## VENEZUELA:

1 RIG HH200



1 RIG HH300

## COLOMBIA:

1 RIGS HH200



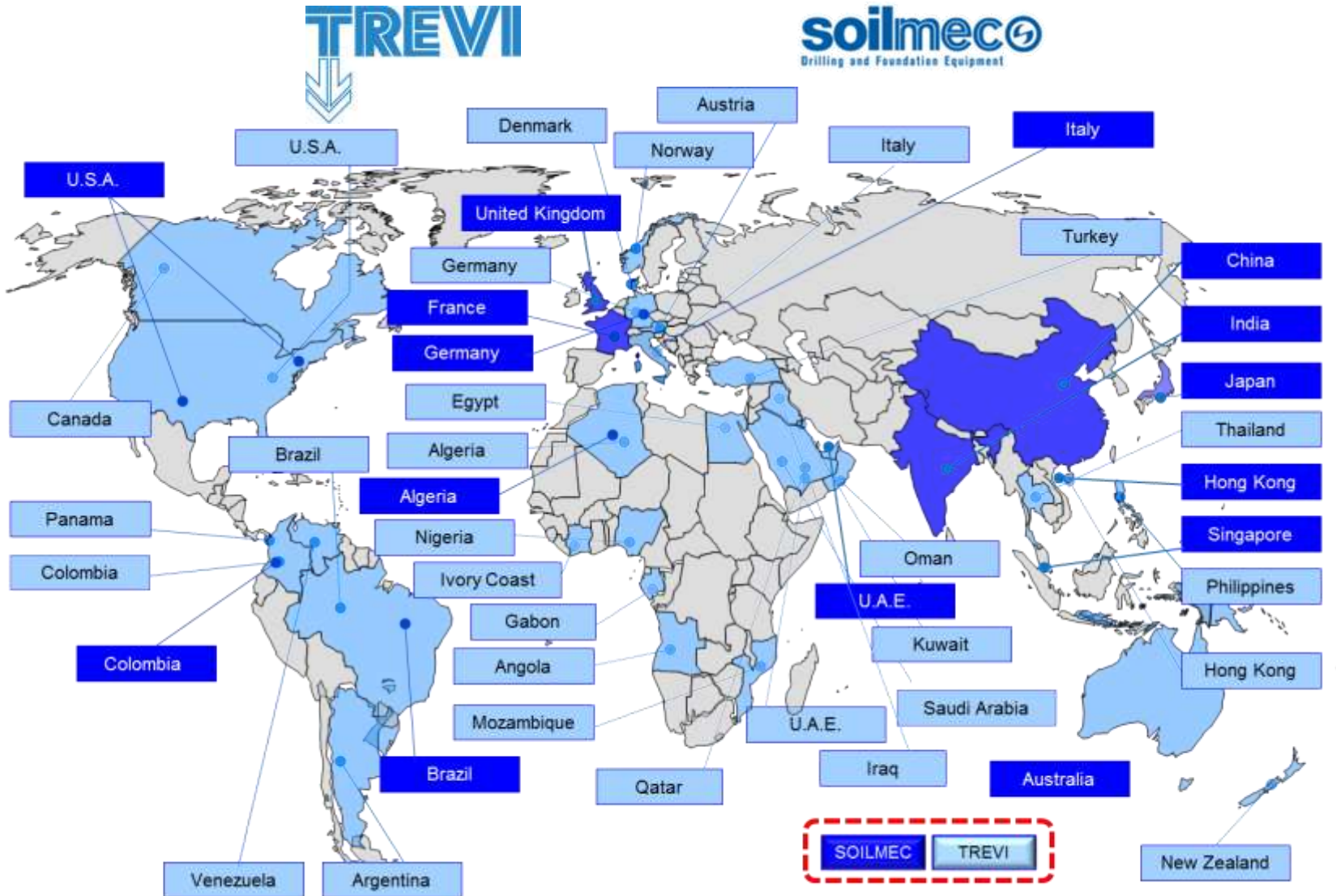
 **Petreven**

Oil drilling services

**€50,6m**

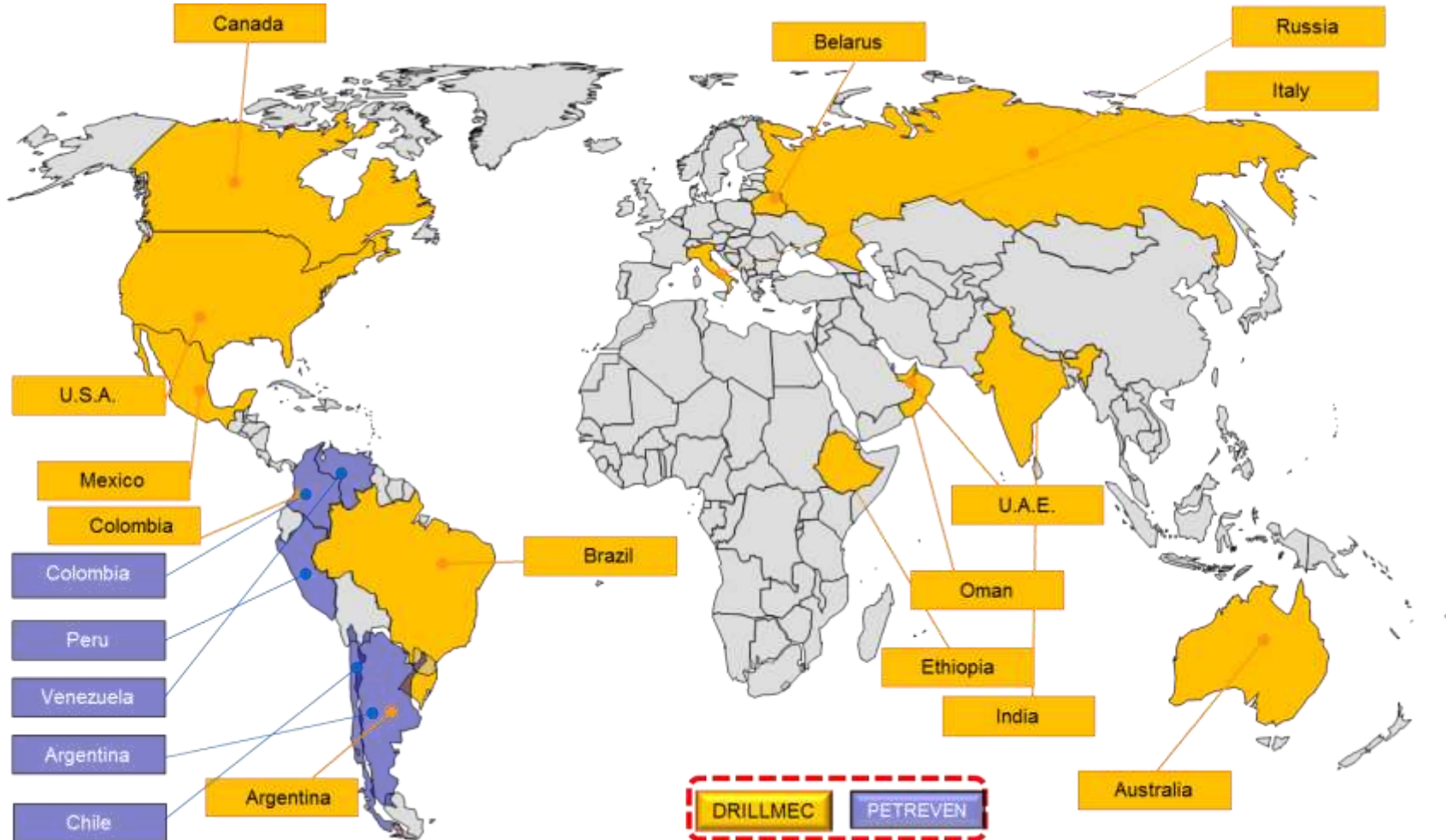
1H16 Revenues

# Foundations Sector





# Oil & Gas Sector



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# Results Key Highlights 1H16

- **Good operating Margins**
- **68 Euro Million Improvement in Net Financial Position vs 1H15**  
Net Financial Position shows a strong cash flow generation
- **Free Cash Flow: +61,5 million Euro**
- **Over 1.07 billion Euro of solid backlog**  
Backlog increased of 13.2% with respect to that of December 31st 2015

# Main discussion points

## Market Environment

- **Core business backlog sound and at an ever time high at 877 million Euro between TREVI and SOILMEC**
- **The Oil&Gas macroeconomic scenario continues to be characterized by severe difficulties, despite the rise in oil prices from a low of \$ 28 recorded in January this year to more than 50 at the end of August**
- **Reduced visibility overall but there are still good opportunities in the pipeline**
- **Shallow mid-waters offshore market shows opportunities**
- **Order portfolio in the O&G stays at Euro 197 million**

# At a corporate level

- **Strengthening of the risk control functions within the single divisions and the Group**
- **Great focus on Cash Generation at all levels and divisions**
- **Very sound Debt /Equity ratio persists**
- **Great execution and track record in completing projects with success**
- **Maintain, develop and strengthen the know-how and key differentiating skills**



# Financial Highlights

*Revenues*

**€519m**

*Ebitda*

**€62m**

*Ebit*

**€26m**

*Net Result*

**€-24m**

*Backlog*

**€1.074m**

*Net Financial Position*

**€396m**

# Financial Highlights 1H16 yoy

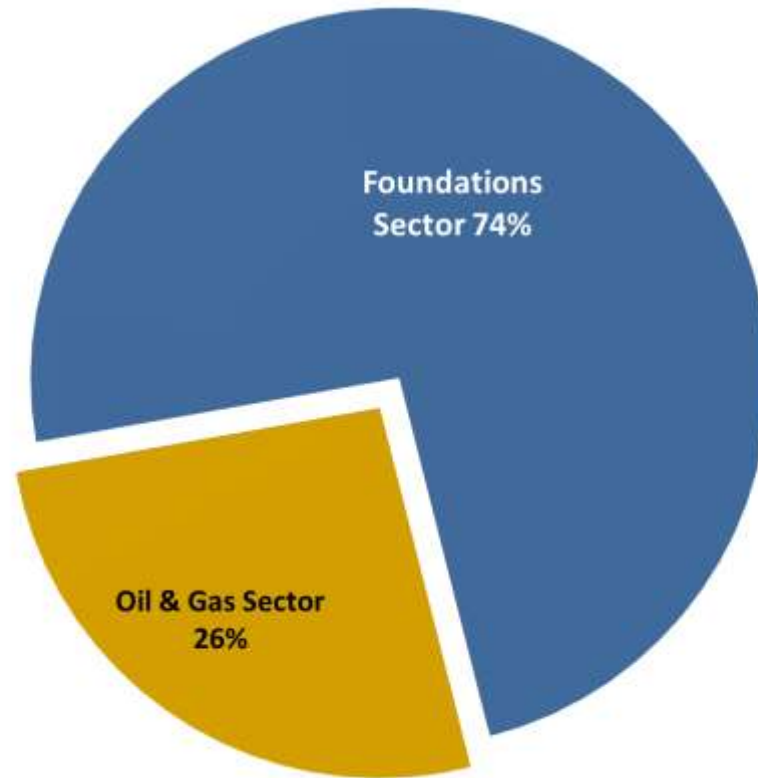
	1H16	%	1H15	%
VALUE OF PRODUCTION	557,9		627,5	
REVENUES	519,3	100,0%	601,1	100,0%
EBITDA	62,3	12,0%	(48,8)	-8,1%
EBIT	25,6	4,9%	(104,5)	-17,4%
FINANCIAL COSTS	(14,1)	-2,7%	(13,0)	-2,2%
TAXES	15,3	3,0%	4,8	0,8%
NET PROFIT	(23,6)	-4,5%	(128,1)	-21,3%
	1H16		1H15	
NET CAPITAL EMPLOYED	930,8		1.022,5	
EQUITY	534,3		558,0	
NET FINANCIAL POSITION	396,3		464,2	
BACKLOG	1.074,4		1.172,7	
	1H16		1H15	
NFP / EBITDA	3,3X		n/a	
NFP / EQUITY	0,74X		0,83X	
	1H16		1H15	
EMPLOYEES	7.399		7.671	

# Revenues Before and After Consolidation

Euro mln	1H16	1H15	Δ%
Drilling Rigs (DRILLMEC)	92,2	152,3	-39,4%
Drilling Services (PETREVEN)	50,6	71,3	-29,0%
Interdivisional Adjustments and Eliminations	(0,7)	(1,0)	
<b>Sub-Total Oil &amp; Gas Sector</b>	<b>142,1</b>	<b>222,5</b>	<b>-36,1%</b>
Special Foundation Services (TREVI)	278,1	283,8	-2,0%
Machines for Special Foundations (SOILMEC)	124,5	114,7	8,6%
Interdivisional Adjustments and Eliminations	(10,5)	(8,3)	
<b>Sub-Total Foundation Sector</b>	<b>392,1</b>	<b>390,2</b>	<b>0,5%</b>
Parent Company	13,4	13,2	
Interdivisional Eliminations	(28,4)	(24,8)	
<b>TOTAL CONSOLIDATED REVENUES</b>	<b>519,3</b>	<b>601,1</b>	<b>-13,6%</b>

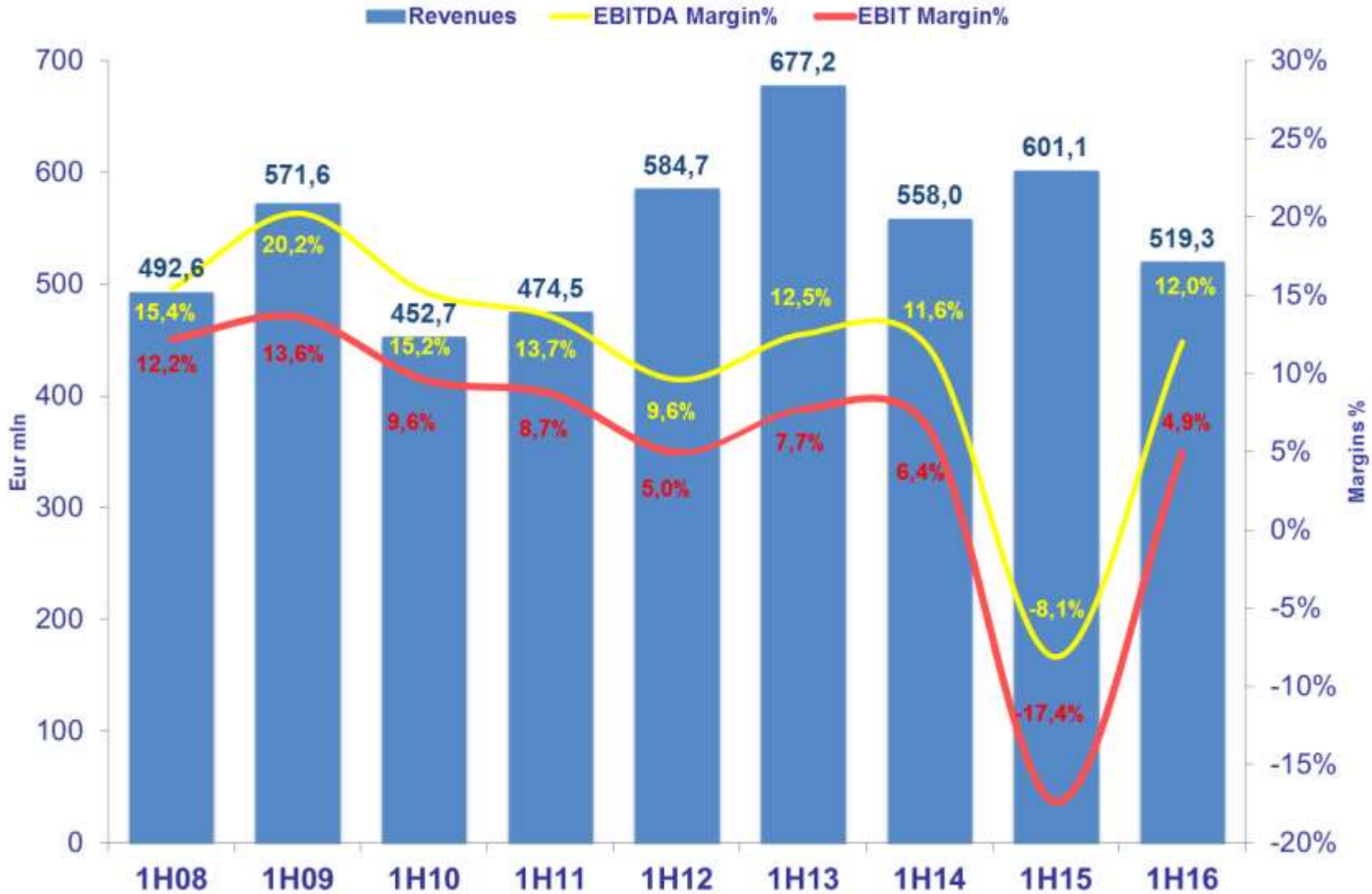
# One Group

Revenues € 519,3 m



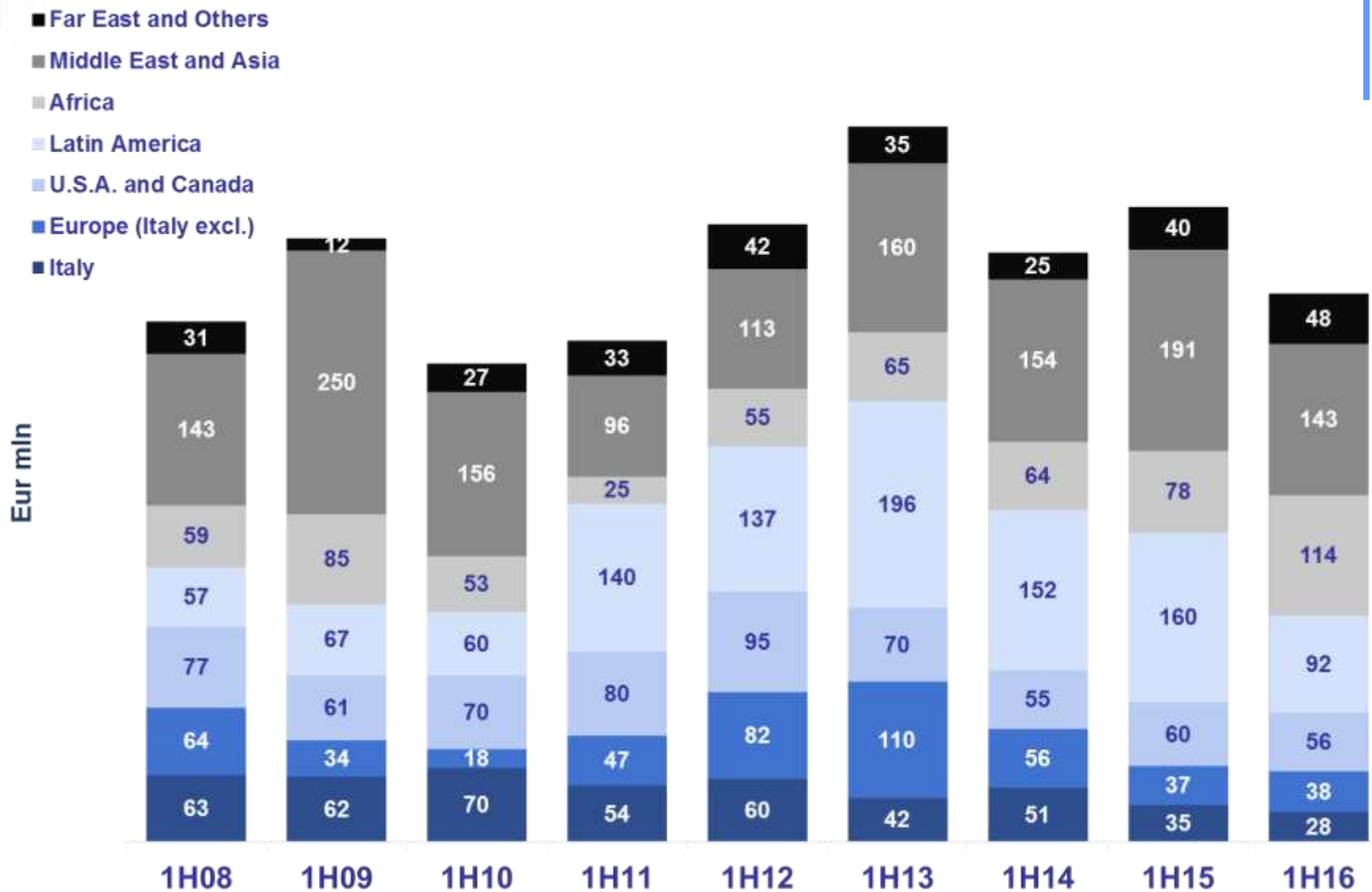
# Financial Ratios

Eur mln



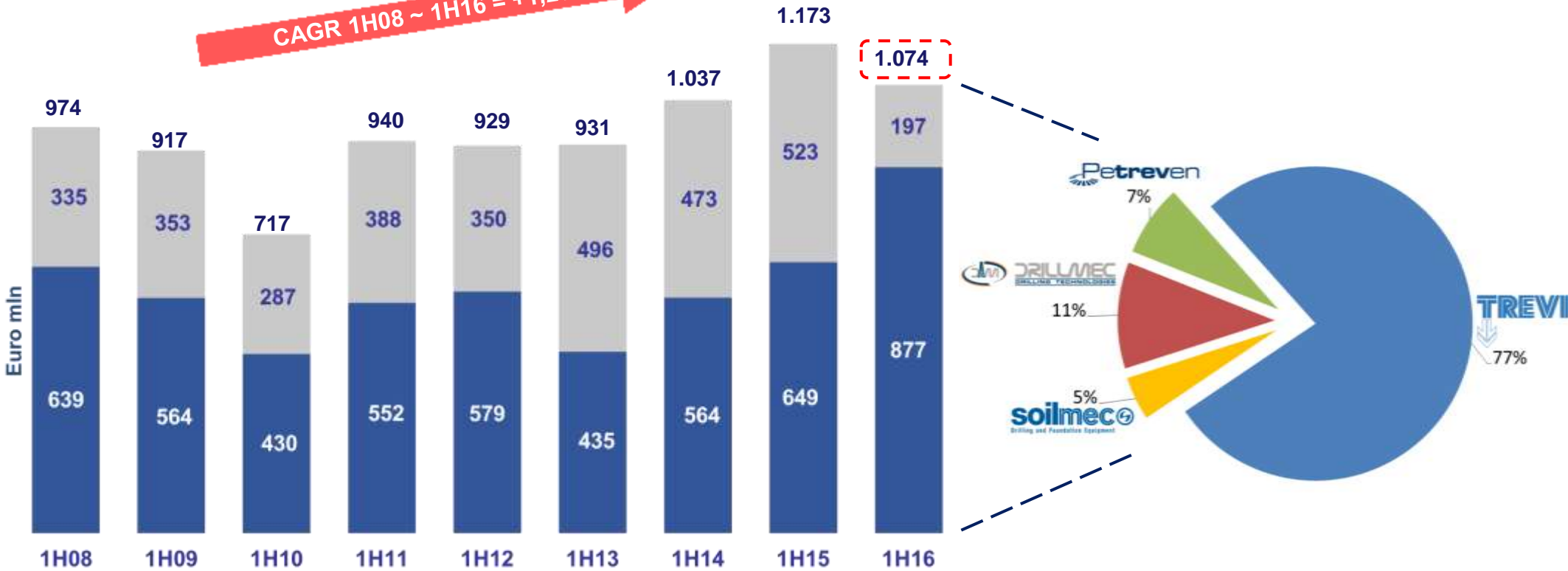


# Breakdown per Geographical Area



# Backlog

CAGR 1H08 ~ 1H16 = +1,2%

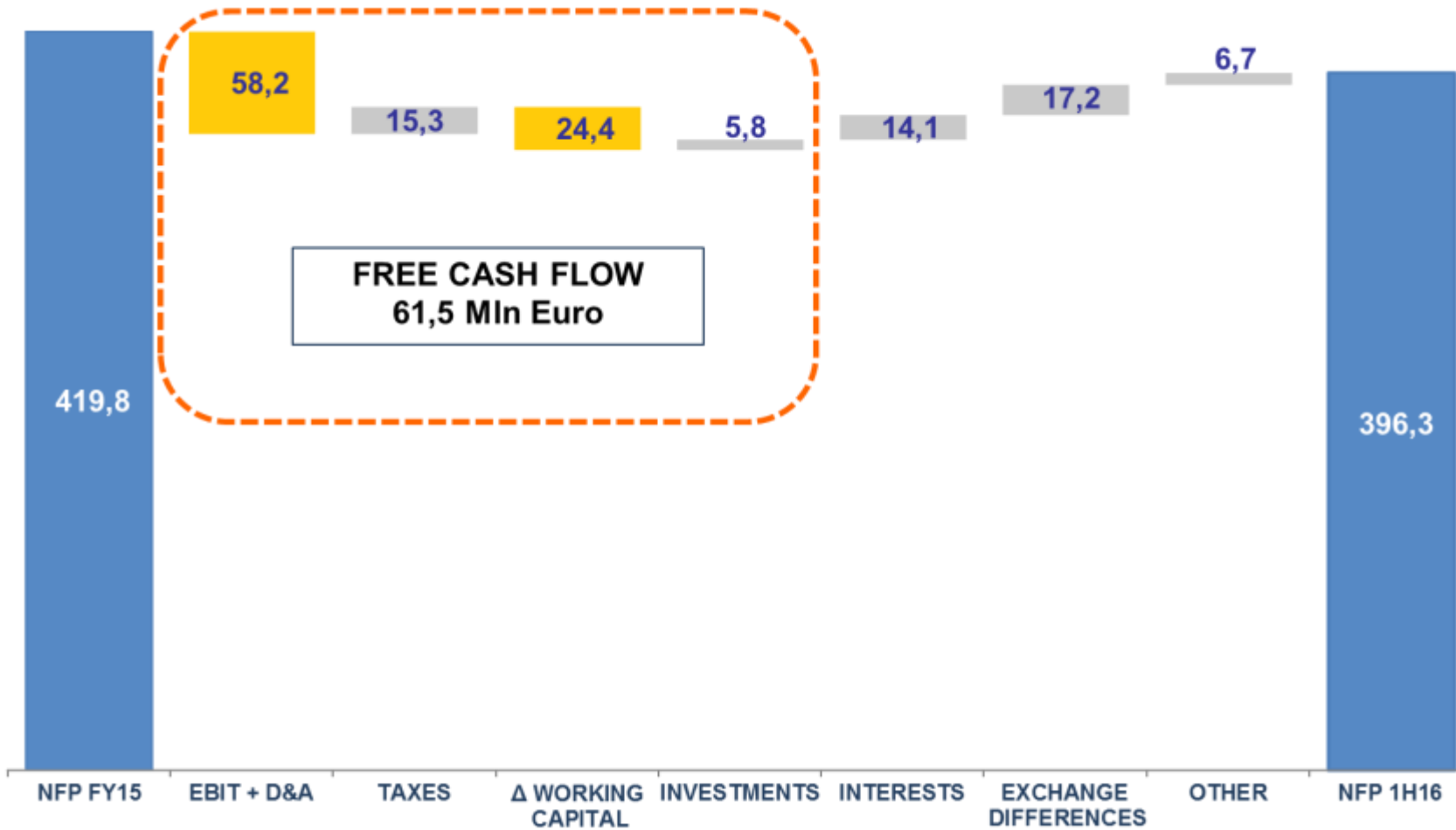


■ Foundation Sector

■ Oil & Gas Sector

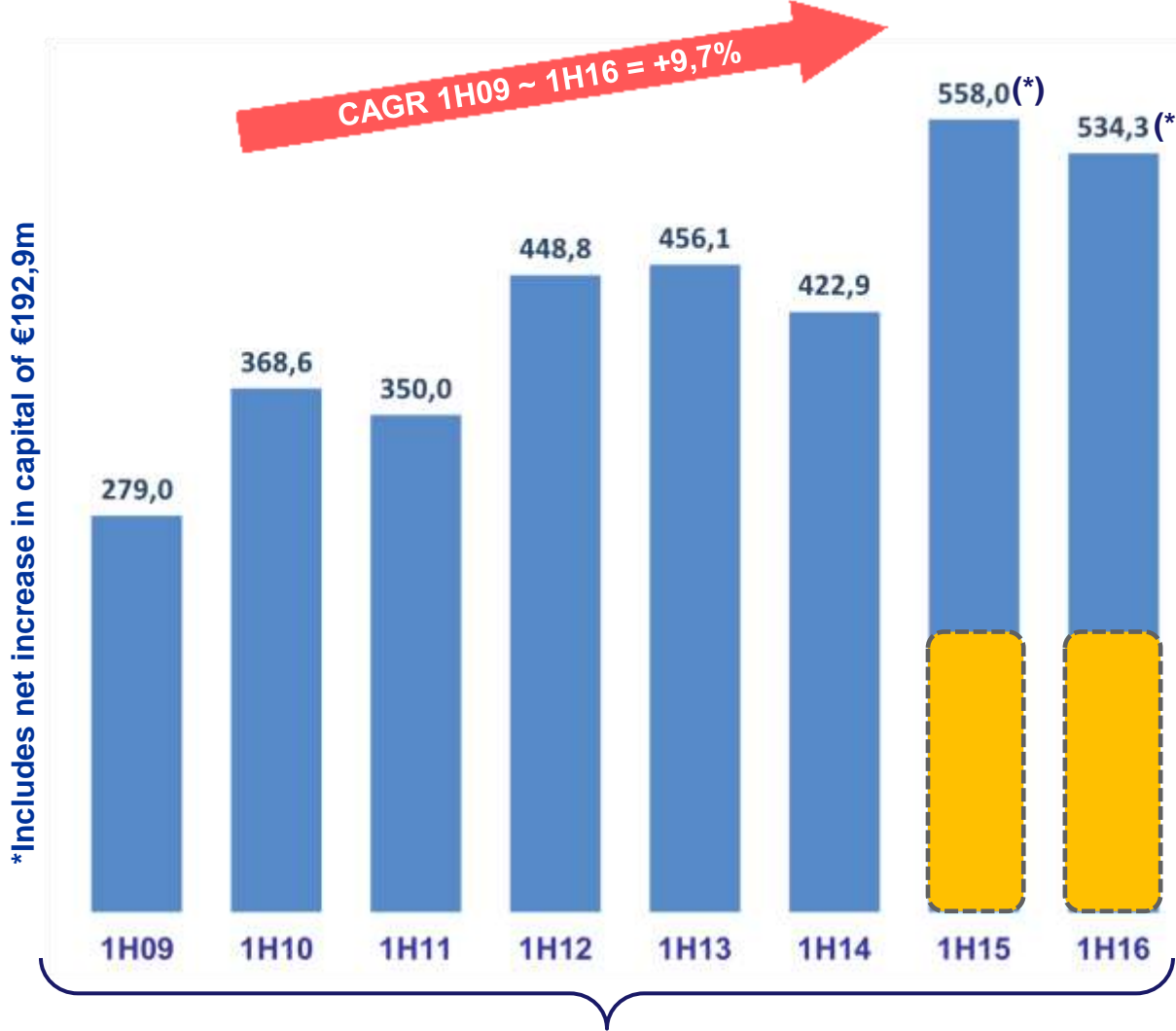


# Net Financial Position

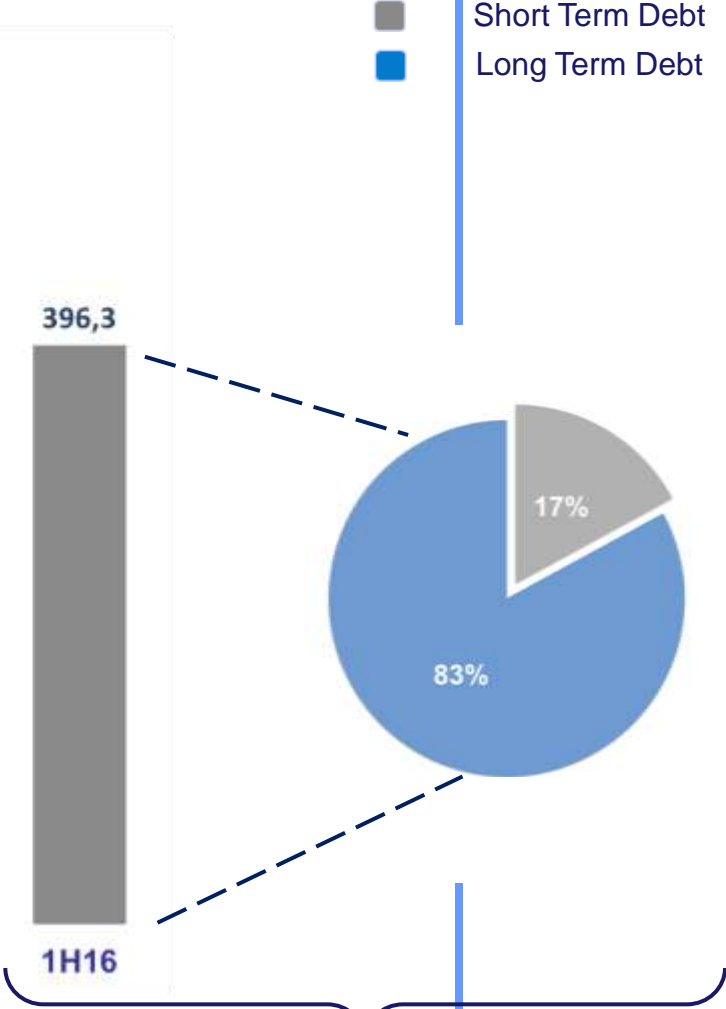


# Equity and Net Financial Position

Euro mln



**EQUITY**



**NET FINANCIAL POSITION**

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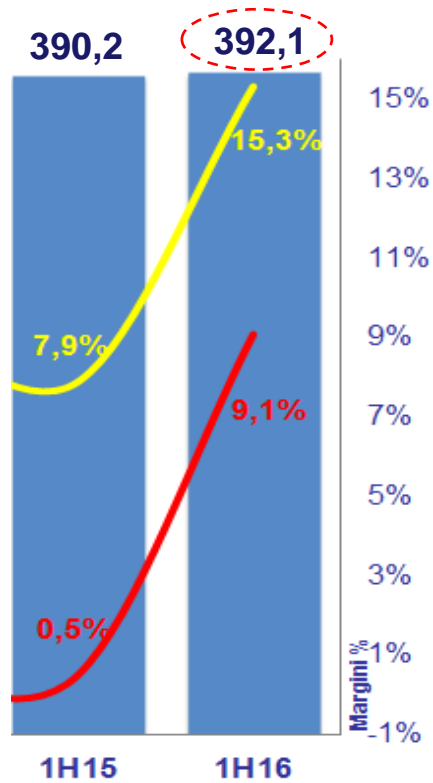
# Group's Divisions Overlook

- Strong cash generation
- Very strong order intake in the first half;
- Trevi Division hard backlog represents 77% of total; it increased to 829 million Euros from 585 (first half 2015);
- The quality of hard backlog is represented by higher than in recent past implicit margins;
- Good level of operating margins are expected to be achieved in 2H16;
- Positive trends in international construction markets and in particular in infrastructure sector;

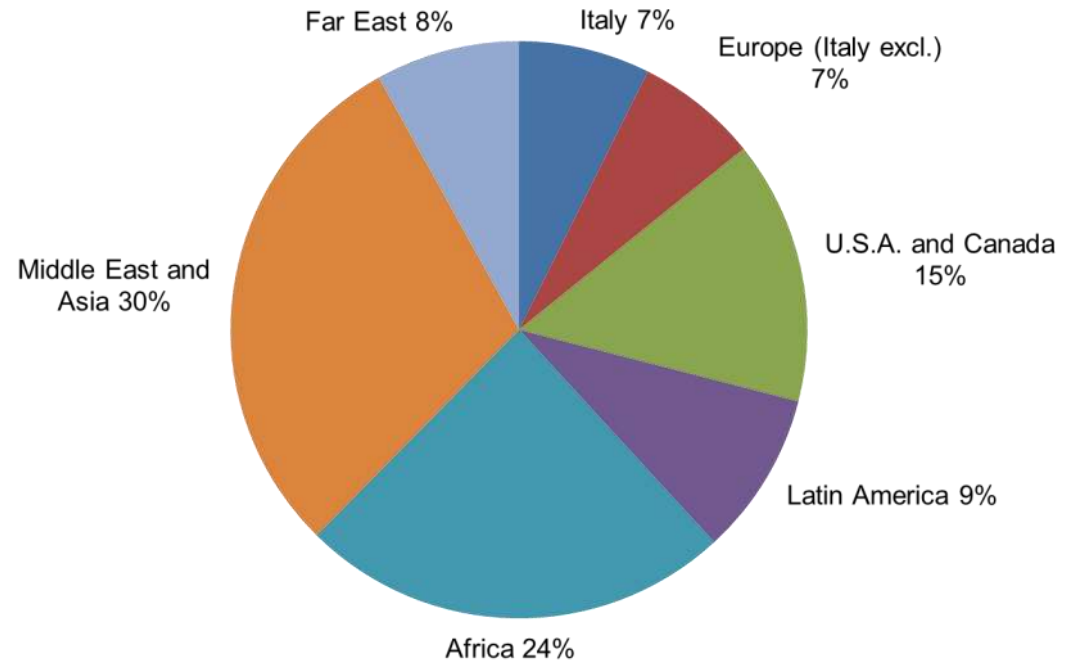
- 
- 8,6% HoH increase in revenue,
  - Strong improvement in margins, due to better market conditions and higher efficiency in production and commercial process;
  - Positive feedback from international clients in Bauma Exhibition, the largest event in the Industry;
  - High Technology new line of products introduced at the Bauma Exhibition are expected to generate increased volume of sales and margins;
  - Investment in HIT products is securing new markets segments and major opportunities;



# Foundations Sector



■ Revenues    — Ebitda%    — Ebit%



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.*





## **MOSUL DAM**

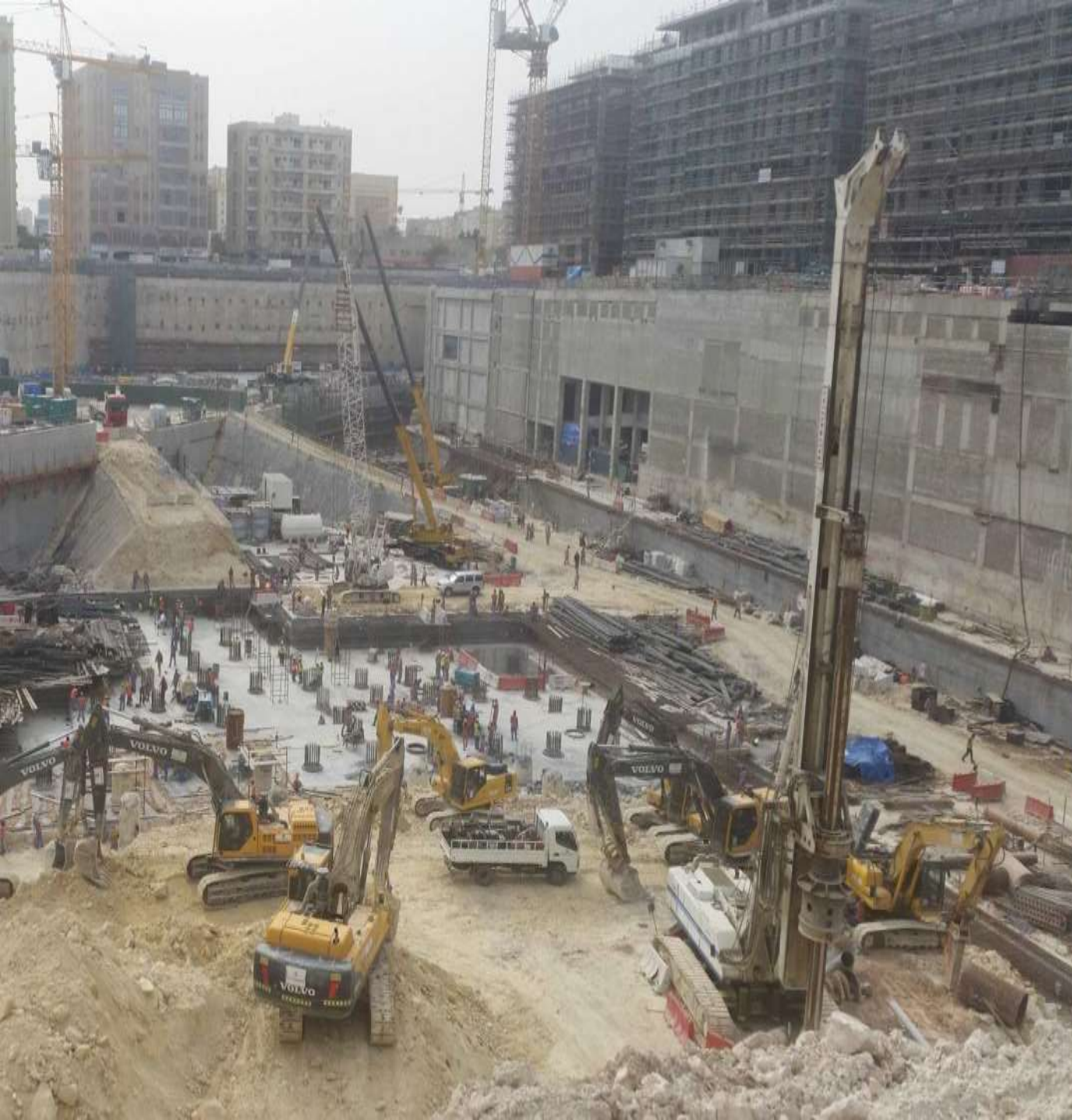
- *Other activities include: repair and maintenance of the bottom outlet tunnels will also take place as they are currently damaged*
- *Specialized courses and training for technicians and local staff for the use of Soilmec (TREVI Group) drilling rigs will also commence*
- *The presence of the Italian military forces, will ensure the safety of the more than 450 technicians and staff of TREVI*



*Galata, Cruise Terminal,  
Istanbul*







**TREVII**

***Downtown Doha Project  
Doha - Mesheireb***



***Ras Abu Fontas A3  
Reverse Osmosis Project  
Doha***





***Brookfield Project,  
Dubai  
(Norman Foster)***





TREVI  
↓

*Metro Algeri*



**TREVI**  
↓

*Riachuelo Project  
Argentina*



*Commissioning for  
Mosul dam Project  
Soilmec Italy*



***Orogel - SR-120***  
***Soilmec Italy***







**soilmec**   
Drilling and Foundation Equipment

**SR-45**  
**Soilmec UK**



**soilmec**   
Drilling and Foundation Equipment

*Bauma 2016*





**soilmecc**   
Drilling and Foundation Equipment

*Bauma 2016*

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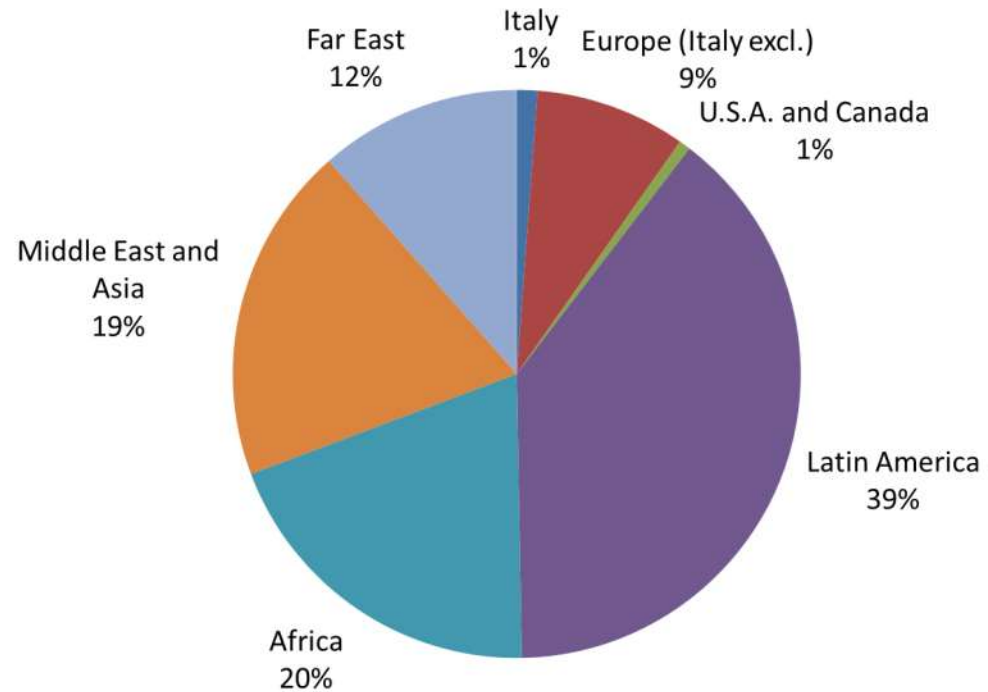
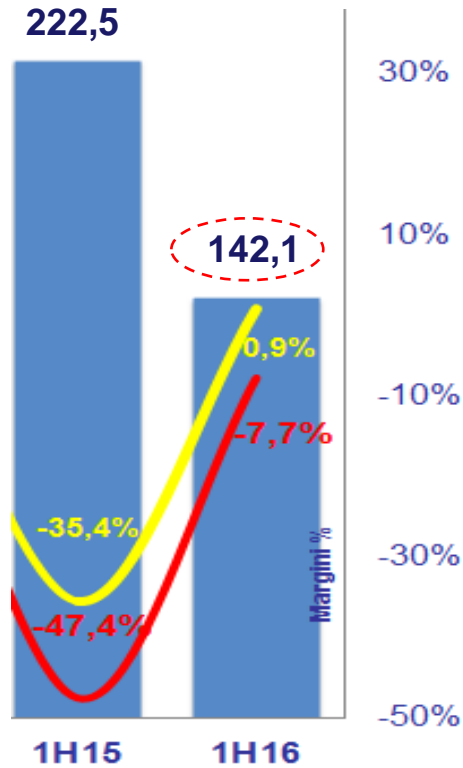
# Group's Divisions Overlook

- Continued strong volatility and uncertainty in O&G. Price per barrel of petrol (Brent) increased to more than 50 dollars from the minimum of 28 touched in January (plus 79% in 8 months);
- Negotiations in progress for supply of rigs in different geographic area expected to be concluded in second half;
- HoH 39% decrease in revenues due to market conditions;
- Drillmec is waging on a reorganization plan and cost cutting, started in October 2015, which will bring major results in second half;
- Management is focused in improving services and is 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);
- Management is focused on working capital decrease through better management of credits and stock



- Struggling with decreased rig utilization rate
- Marginality challenged by more uncertain environment
- Negotiating contracts renewals to secure continuing operations

# Oil & Gas Sector



■ Revenues    ■ Ebitda%    ■ Ebit%

Based on non Consolidated Data

## *First well for SOCAR*

*The Drillmec HH300 rig has completed the works on the construction of the first well on platform. All works have been completed ahead of schedule.*





## 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





## Drillmec HH-202

extreme now drilling in Cerro Pabillon (Chile), at 4,500 meters above sea level. The project involves the geothermal drilling of 11 wells which will be connected to a geothermal power plant

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# Income Statement 1H16 vs 1H15

Eur 000	1H16	1H15
<b>TOTAL REVENUES</b>	<b>519.251</b>	<b>601.114</b>
Changes in inventories of finished and semi-finished products	34.811	13.132
Increase in fixed assets for internal use	3.841	13.242
Other non-ordinary operating revenues	0	0
<b>VALUE OF PRODUCTION</b>	<b>557.903</b>	<b>627.489</b>
Raw materials and external services	365.446	536.253
Other operating costs	9.138	8.567
<b>VALUE ADDED</b>	<b>183.319</b>	<b>82.668</b>
Personnel expenses	120.983	131.428
<b>EBITDA</b>	<b>62.336</b>	<b>(48.760)</b>
<i>% Total Revenues</i>	<i>12,0%</i>	<i>-8,1%</i>
Depreciation	32.644	30.159
Provisions and write-downs	4.140	25.552
<b>EBIT</b>	<b>25.552</b>	<b>(104.471)</b>
<i>% Total Revenues</i>	<i>4,9%</i>	<i>-17,4%</i>
Financial revenues/(expenses)	(14.096)	(12.954)
Gains/(Losses) on exchange rates	(17.165)	(7.006)
Other Gains/(Losses)	(303)	0
<b>EBT</b>	<b>(6.012)</b>	<b>(124.431)</b>
Tax	15.327	4.836
Minorities	2.237	(1.178)
<b>GROUP NET PROFIT</b>	<b>(23.576)</b>	<b>(128.089)</b>



# Statement of Financial Position 1H16 vs 1H15

FY15	Eur 000	1H16	1H15
	<b>Fixed assets</b>		
399.877	- Tangible fixed assets	359.883	395.405
87.150	- Intangible fixed assets	81.132	87.434
5.709	- Financial fixed assets	5.640	6.639
	<b>Net working capital</b>		
522.736	- Inventories	476.083	608.112
447.976	- Trade receivables	381.483	443.615
(360.541)	- Trade payables (-)	(274.401)	(354.355)
(169.413)	- Pre-payments (-)	(152.520)	(201.018)
87.485	- Other assets (liabilities)	73.198	58.198
<b>1.020.977</b>	<b>Fixed assets plus net working capital</b>	<b>950.496</b>	<b>1.044.030</b>
(21.225)	<b>Post-employment benefits (-)</b>	(19.708)	(21.543)
<b>999.753</b>	<b>NET INVESTED CAPITAL</b>	<b>930.789</b>	<b>1.022.487</b>
	<i>Financed by:</i>		
564.914	<b>Group net shareholders' funds</b>	524.454	544.137
14.659	Minorities' share of net shareholders' funds	9.809	13.878
420.180	<b>Total financial indebtedness</b>	396.526	464.471
<b>999.753</b>	<b>TOTAL SOURCES OF FINANCING</b>	<b>930.789</b>	<b>1.022.487</b>

# Company Facts

- **Ownership\***: 51%
- **Market**: 49%
- **Established**: 1957
- **Listed**: 1999
- **Value Proposition**:

Fully integrated Special Foundation Services and Oil & Gas Company

172  
Dams worldwide

1st  
Oil & Gas Rig manufacturer in Europe

6  
Main projects US Army Corps

>50  
Metros in world

>62  
Marine Projects in the world

\*Includes FSI

# The Group

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

# 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.

TREVI – Finanziaria Industriale SpA does not undertake any obligation to update forward looking statements to reflect any changes in own expectations with regard thereto or any changes in events.



# TREVI Group



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