

# Financial Results

## TREVI Group

2012 Third Quarter YTD

Ended 30<sup>th</sup> September 2012

CONFERENCE CALL

Cesena  
15<sup>th</sup> November 2012



## ***1. TREVI Group***

## **2. 9M 2012 Financial Results**

## **3. Outlook & Appendix**

## **4. Q&A**



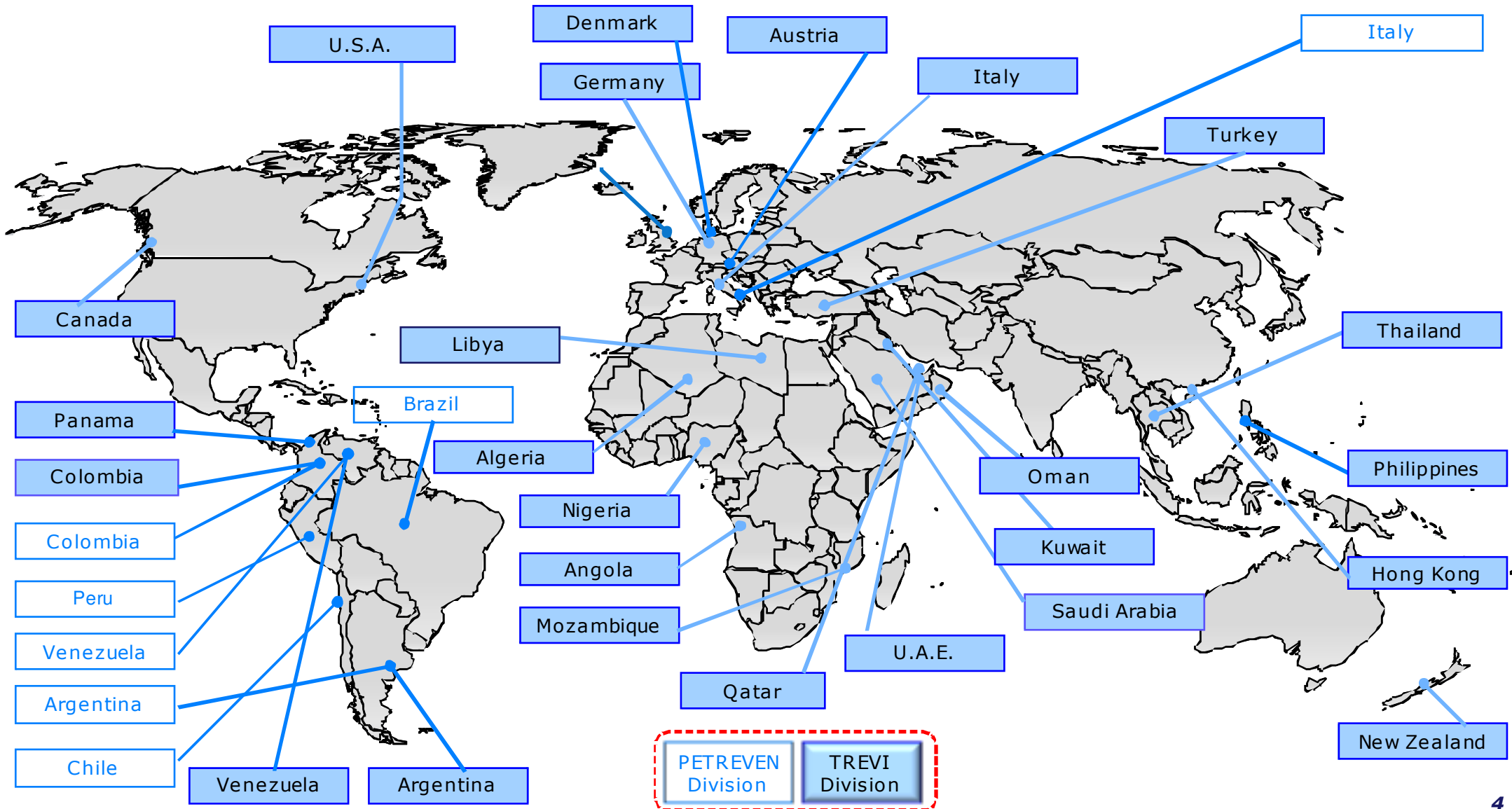
*Metro Line works in Palermo (ITALY)*

## TREVI-Finanziaria Industriale S.p.A.



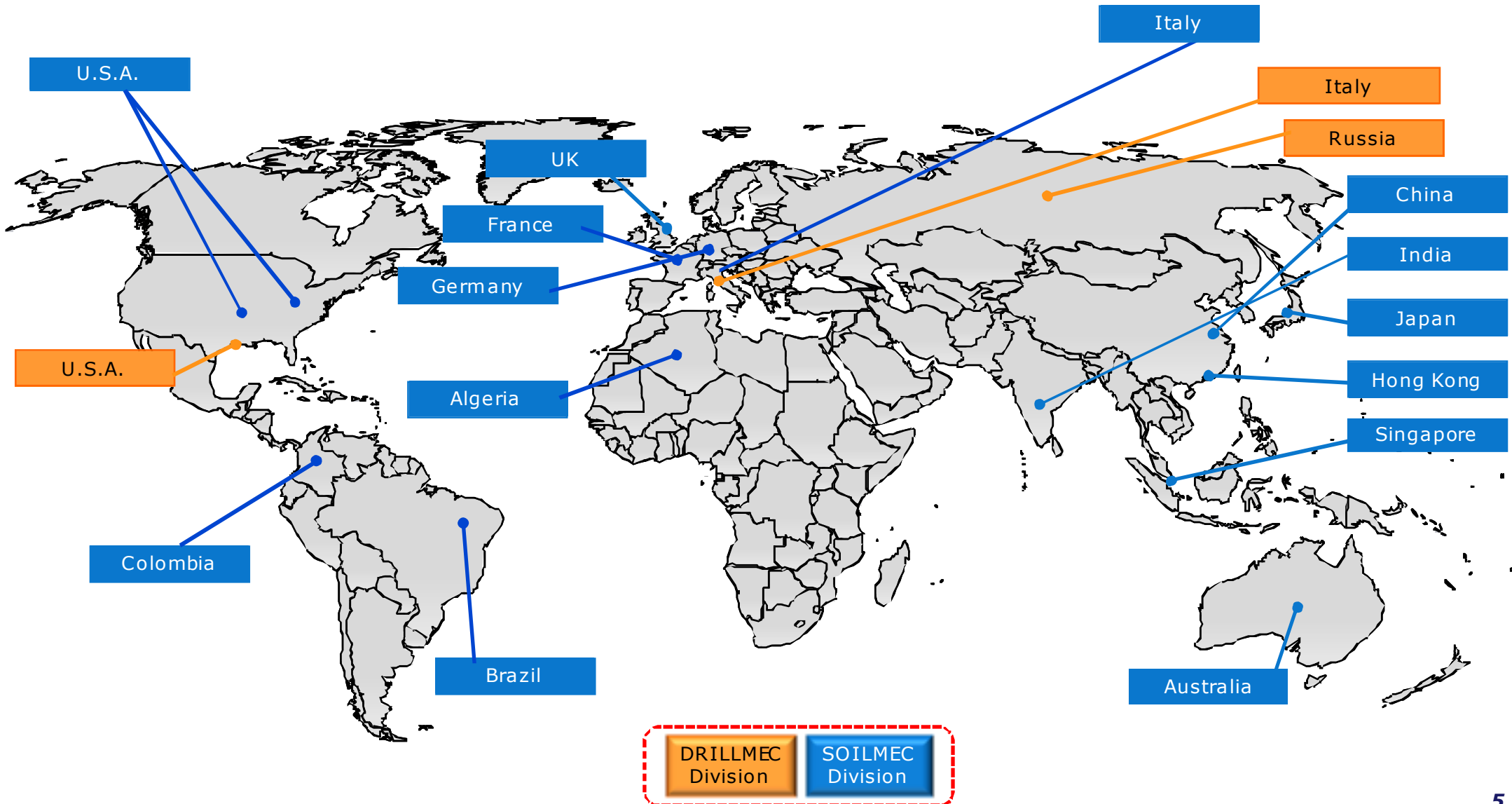
# TREVI Group: Services Sector Presence

**34 Operating Companies in 25 Countries – 48 Business Units**



# TREVI Group: Mechanical Sector Presence

**18 Operating Companies in 13 Countries – 21 Business Units**



## Overall a challenging quarter

### ✓ **Good revenue generation**

*Increased revenue generation from all business lines*

### ✓ **Marginality hindered by a more competitive environment and interruptions in drilling sector**

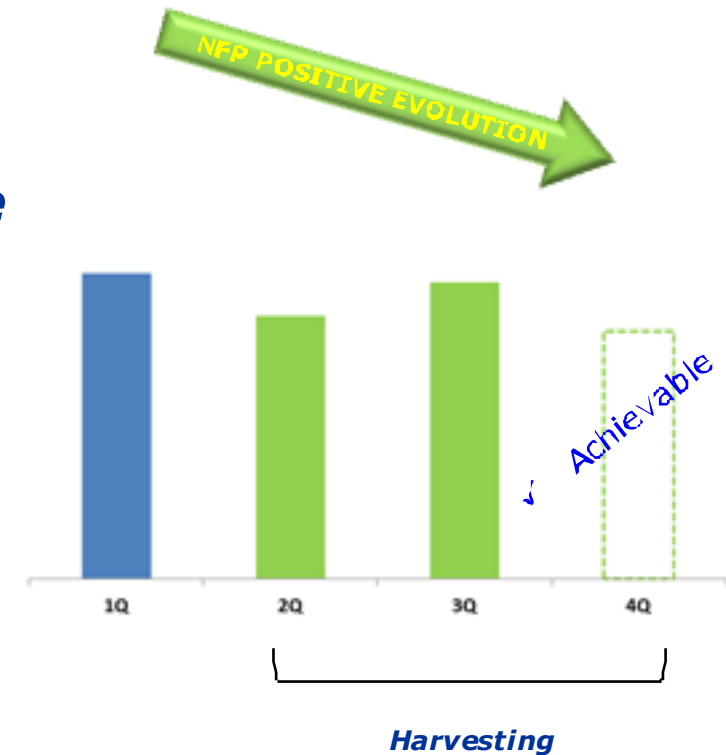
*The outcome of a more complex market condition was determining of financial performance*

### ✓ **Steady Backlog**

*A solid basis for a positive business outlook*

### ✓ **Net Financial Position**

*Strong reduction by Year End achievable*



# Group's Divisions Overlook



9M12 Sales +13.0%

**SPECIAL FOUNDATIONS SERVICES**

- Double digit growth in Revenues with even Margins
- Solid order backlog
- Slightly more easing outlook in markets in which we operate
- Outlook on large infrastructure sector stable & construction sector still under pressure



+10.2%

**OIL & GAS SERVICES**

- Operations proceeding clearly and on track
- Initiated drilling service operations in Brazil for Petra Energia
- Organic & sound business growth
- All rigs are operating in key contracts & jurisdictions



+6.3%

**OIL & GAS RIGS**

- Secured full entrance in the Offshore market
- Chosen technology for high level of customization
- Increased exposure to key markets eg. Russia
- Delays and unexpected stop and go activities impacted the 3Q due to client liquidity issues
- Marginality to improve on more appealing contractual conditions from 4Q12



+9.6%

vs 9M11

**SPECIAL FOUNDATIONS RIGS**

- Mild positive growth in the revenue generation
- Uncertainty is characterizing the market scenario
- Mature markets are showing some signs of recovery
- Higher competition hindering pricing and marginality
- Lower visibility in order backlog

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*Copenhagen (DENMARK) CITYRINGEN work site*





▪ <b>Revenues:</b> €818m	€724m	vs 9M11
▪ <b>EBITDA:</b> €74m	€97m	vs 9M11
▪ <b>EBIT:</b> €32m	€62m	vs 9M11
▪ <b>PBT:</b> €16m	€45m	vs 9M11
▪ <b>Backlog:</b> €871m	€1,021m	vs 9M11
▪ <b>NFP:</b> €480m	€386m	vs 9M11

- **Increase in consolidated revenues +13%**

*Continued strong volume of sales*

- **Stable Backlog**

*Good visibility on future revenues*

- **Net Financial Position in line with the business**

*The net indebtedness follows the cyclical nature of the business*

# Financial Highlights 9M12 yoy

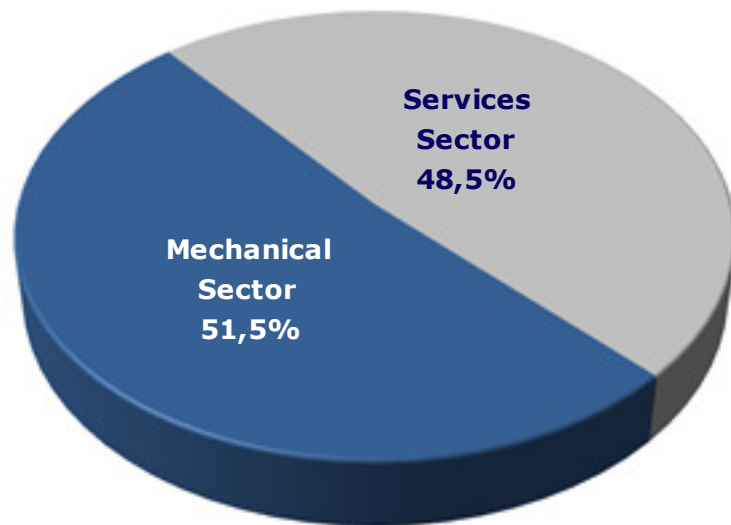
TREVI Group

Eur mln	9M 2012	%	9M 2011	%	Δ%
<b>VALUE OF PRODUCTION</b>	<b>854,8</b>		<b>805,2</b>		<b>6,2%</b>
<b>REVENUES</b>	<b>818,5</b>	<b>100,0%</b>	<b>724,1</b>	<b>100,0%</b>	<b>13,0%</b>
<b>EBITDA</b>	<b>73,8</b>	<b>9,0%</b>	<b>97,1</b>	<b>13,4%</b>	<b>-23,9%</b>
<b>EBIT</b>	<b>32,2</b>	<b>3,9%</b>	<b>61,7</b>	<b>8,5%</b>	<b>-47,8%</b>
<b>FINANCIAL COSTS</b>	<b>(16,0)</b>	<b>-2,0%</b>	<b>(12,4)</b>	<b>-1,7%</b>	<b>29,7%</b>
<b>TAXES</b>	<b>10,1</b>	<b>1,2%</b>	<b>20,1</b>	<b>2,8%</b>	<b>49,7%</b>
<b>NET PROFIT</b>	<b>5,0</b>	<b>0,6%</b>	<b>24,0</b>	<b>3,3%</b>	<b>-79,1%</b>
Eur mln	9M 2012		9M 2011		Δ%
<b>NET CAPITAL EMPLOYED</b>	<b>914,4</b>		<b>762,2</b>		<b>20,0%</b>
<b>EQUITY</b>	<b>433,8</b>		<b>376,6</b>		<b>15,2%</b>
<b>NET FINANCIAL POSITION</b>	<b>480,0</b>		<b>385,7</b>		<b>-24,5%</b>
<b>BACKLOG</b>	<b>871,5</b>		<b>1.021,2</b>		<b>-14,7%</b>
	9M 2012		9M 2011		
<b>NFP / EBITDA</b>	<b>4,88X</b>		<b>2,98X</b>		
<b>NFP / EQUITY</b>	<b>1,11X</b>		<b>1,02X</b>		
	9M 2012		9M 2011		
<b>EMPLOYEES</b>	<b>6.256</b>		<b>6.231</b>		

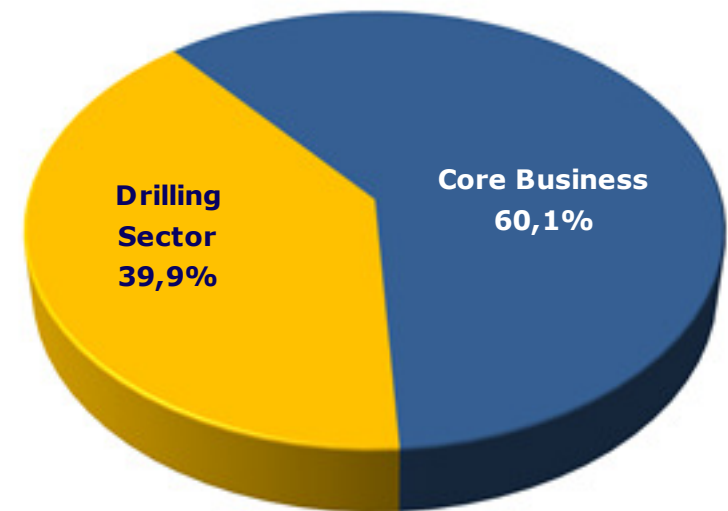
# Income Statement 9M12 vs 9M11

Eur 000	<b>9M12</b>	<b>9M11</b>	<b>Δ%</b>
<b>TOTAL REVENUES</b>	<b>818.452</b>	<b>724.123</b>	<b>13,0%</b>
Changes in inventories of finished and semi-finished products	19.698	55.085	
Increase in fixed assets for internal use	16.600	25.948	
Other non-ordinary operating revenues	0	0	
<b>VALUE OF PRODUCTION</b>	<b>854.751</b>	<b>805.157</b>	<b>6,2%</b>
Raw materials and external services	608.650	556.438	
Other operating costs	10.213	11.300	
<b>VALUE ADDED</b>	<b>235.888</b>	<b>237.419</b>	<b>-0,6%</b>
Personnel expenses	162.040	140.338	
<b>EBITDA</b>	<b>73.848</b>	<b>97.081</b>	<b>-23,9%</b>
<i>% Total Revenues</i>	<i>9,0%</i>	<i>13,4%</i>	
Depreciation	36.118	34.268	
Provisions and write-downs	5.525	1.082	
<b>EBIT</b>	<b>32.205</b>	<b>61.731</b>	<b>-47,8%</b>
<i>% Total Revenues</i>	<i>3,9%</i>	<i>8,5%</i>	
Financial revenues/(expenses)	(16.048)	(12.373)	
Gains/(Losses) on exchange rates	(359)	(3.977)	
Other Gains/(Losses)	0	0	
<b>EBT</b>	<b>15.797</b>	<b>45.383</b>	<b>-65,2%</b>
Tax	10.121	20.123	
Minorities	647	1.241	
<b>GROUP NET PROFIT</b>	<b>5.030</b>	<b>24.019</b>	<b>-79,1%</b>

# One Group: Two Points of view



**Total Revenues 9M12:  
Eur 818.5 mln**

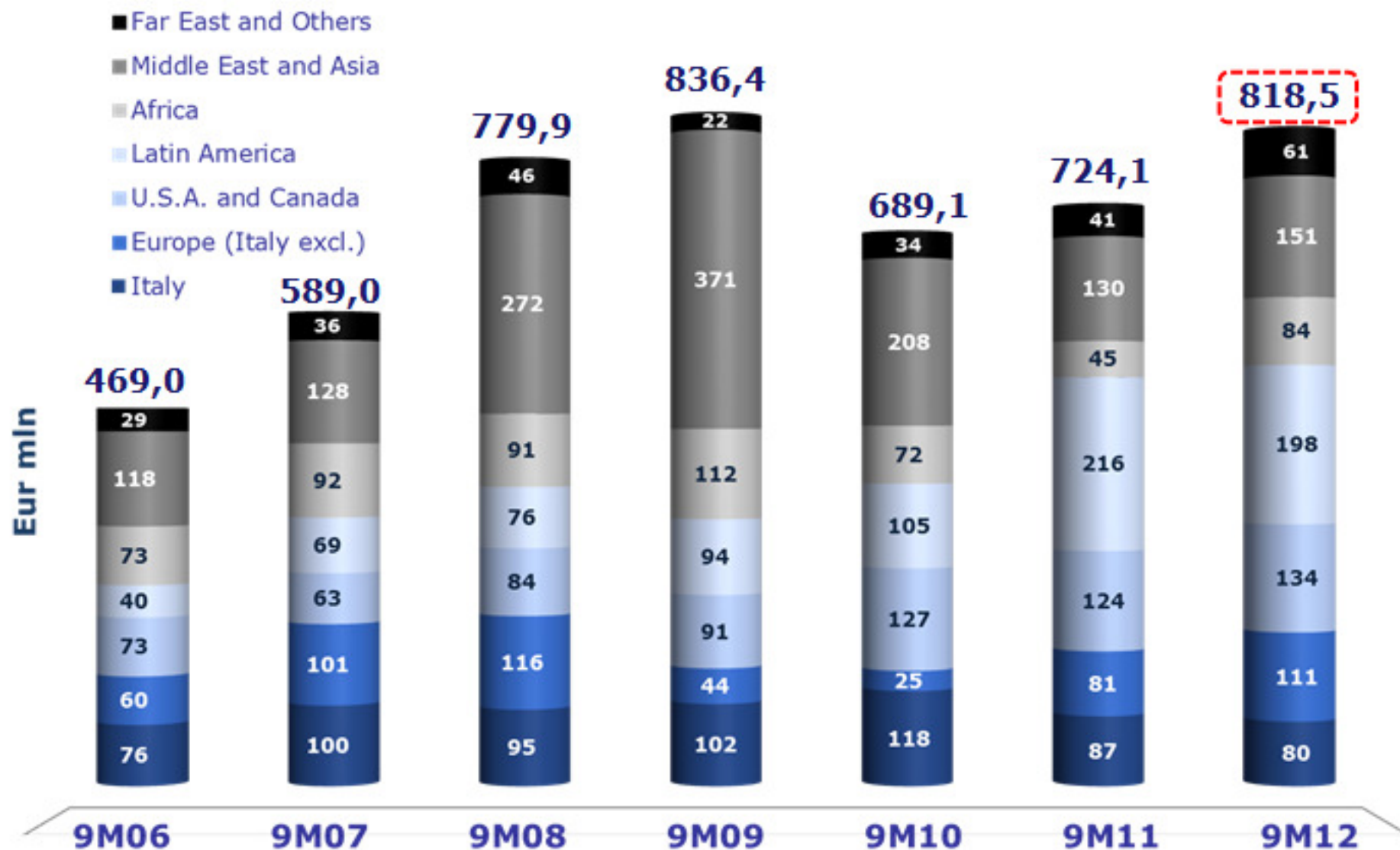


*Based on non Consolidated data*

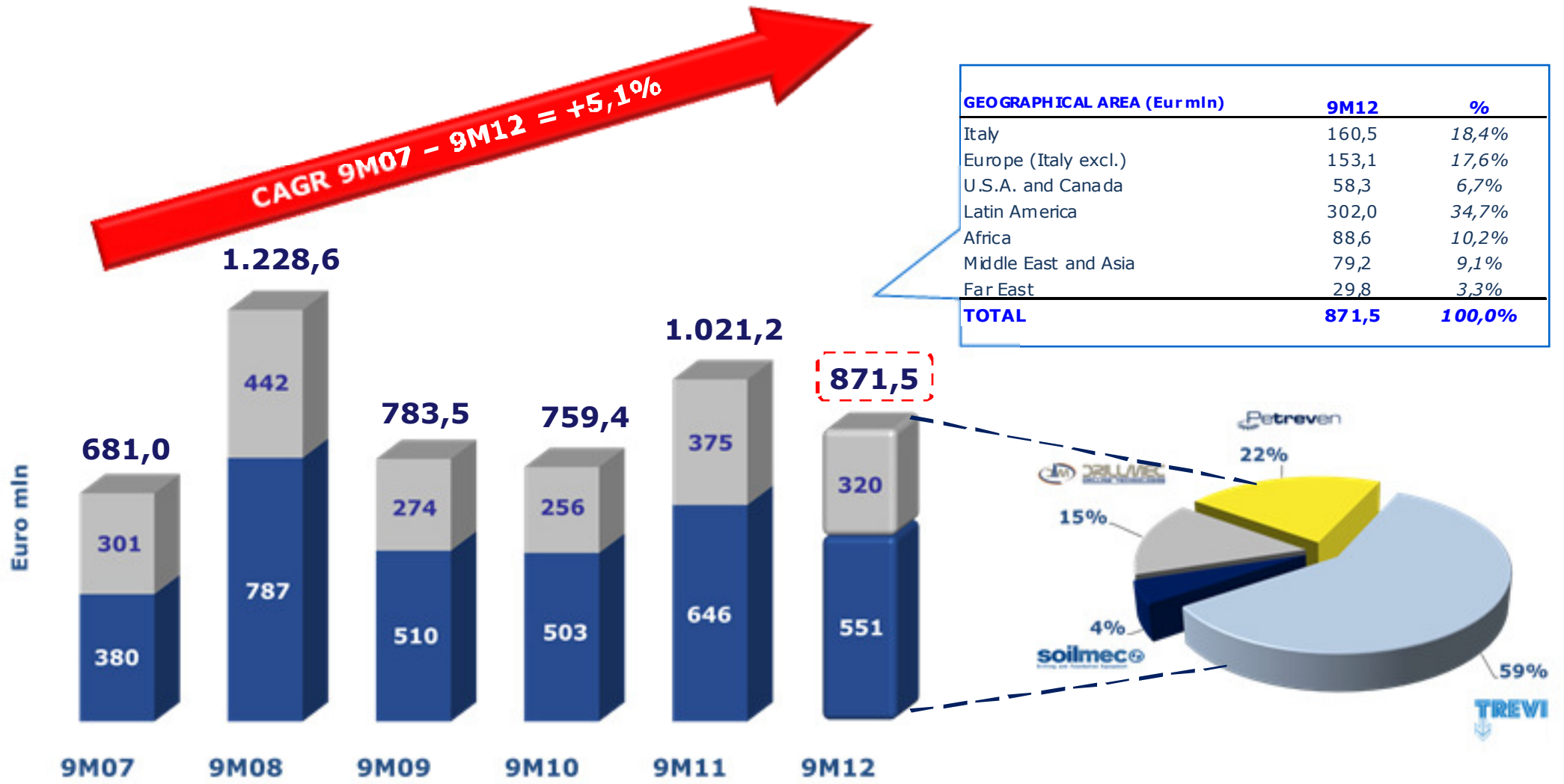
# Revenues Before and After Consolidation

<b>Eur mln</b>	<b>9M12</b>	<b>9M11</b>	<b>Δ%</b>
Special Foundation Services (TREVI)	<b>331,4</b>	<b>293,1</b>	<i>13,0%</i>
Drilling Services (PETREVEN)	<b>73,9</b>	<b>67,1</b>	<i>10,2%</i>
Interdivisional Adjustments and Eliminations	<b>(3,4)</b>	<b>(5,5)</b>	
<b>Sub-Total Foundations and Drilling Services Sector</b>	<b>401,9</b>	<b>354,8</b>	<b>13,3%</b>
Machines for Special Foundations (SOILMEC)	<b>171,0</b>	<b>156,0</b>	<i>9,6%</i>
Drilling Rigs (DRILLMEC)	<b>259,2</b>	<b>243,9</b>	<i>6,3%</i>
Interdivisional Adjustments and Eliminations	<b>(1,5)</b>	<b>(2,6)</b>	
<b>Sub-Total Mechanical Sector</b>	<b>428,7</b>	<b>397,3</b>	<b>7,9%</b>
Parent Company	<b>10,2</b>	<b>9,1</b>	
Interdivisional Eliminations	<b>(22,3)</b>	<b>(37,0)</b>	
<b>TOTAL CONSOLIDATED REVENUES</b>	<b>818,5</b>	<b>724,1</b>	<b>13,0%</b>

# Breakdown per Geographical Area



# Backlog

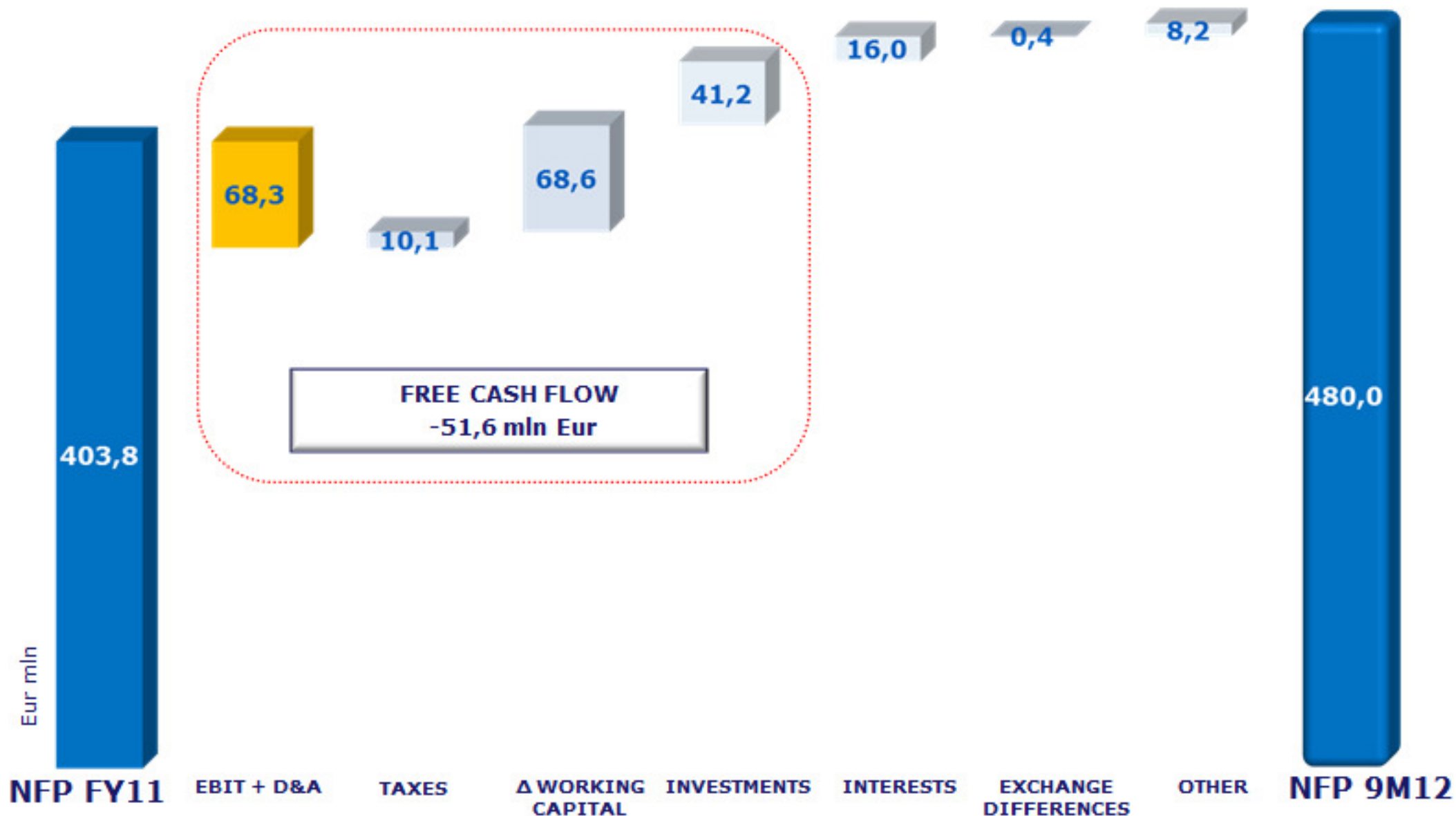


■ Foundation Sector

■ Drilling Sector

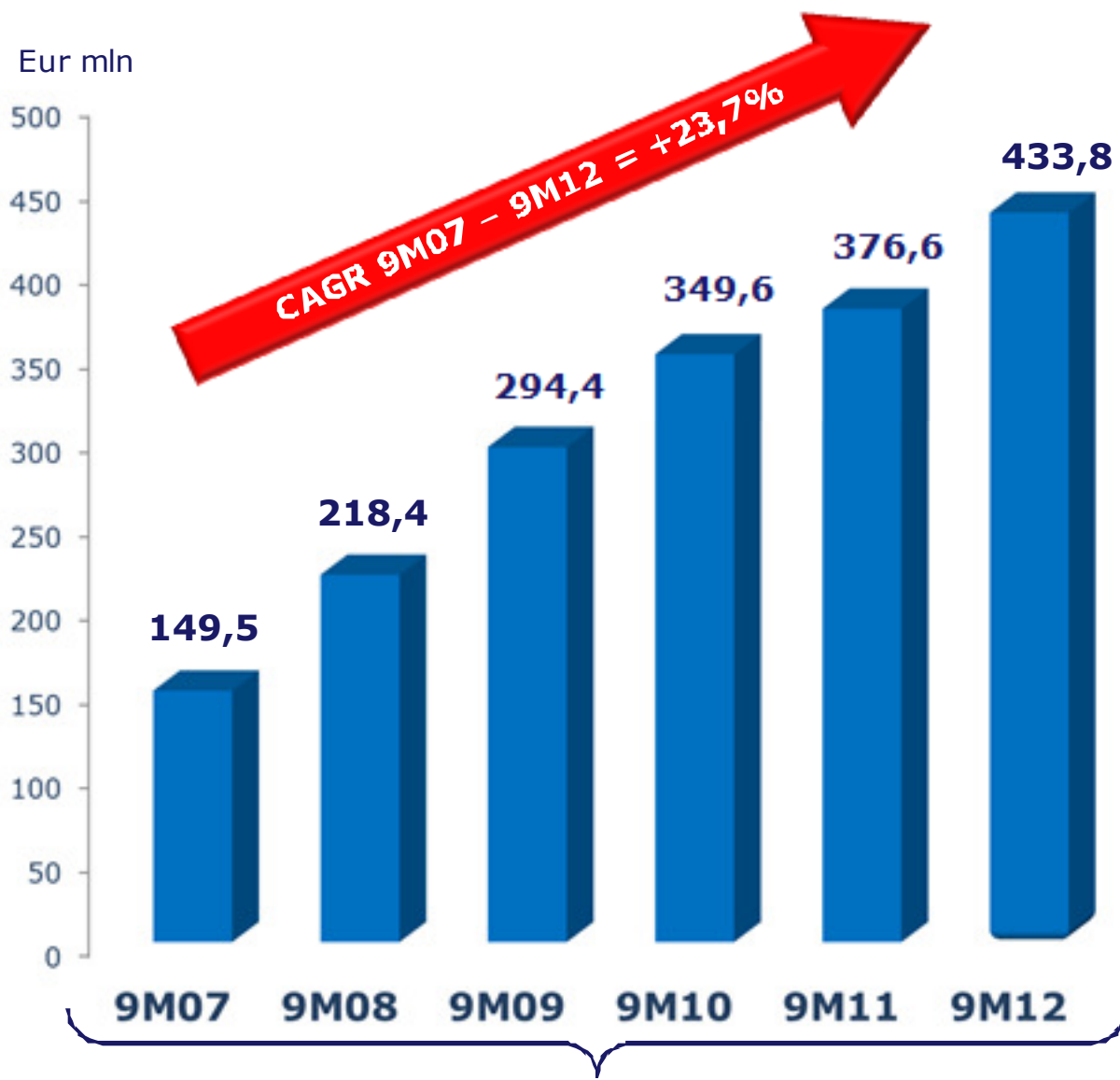


# Net Financial Position

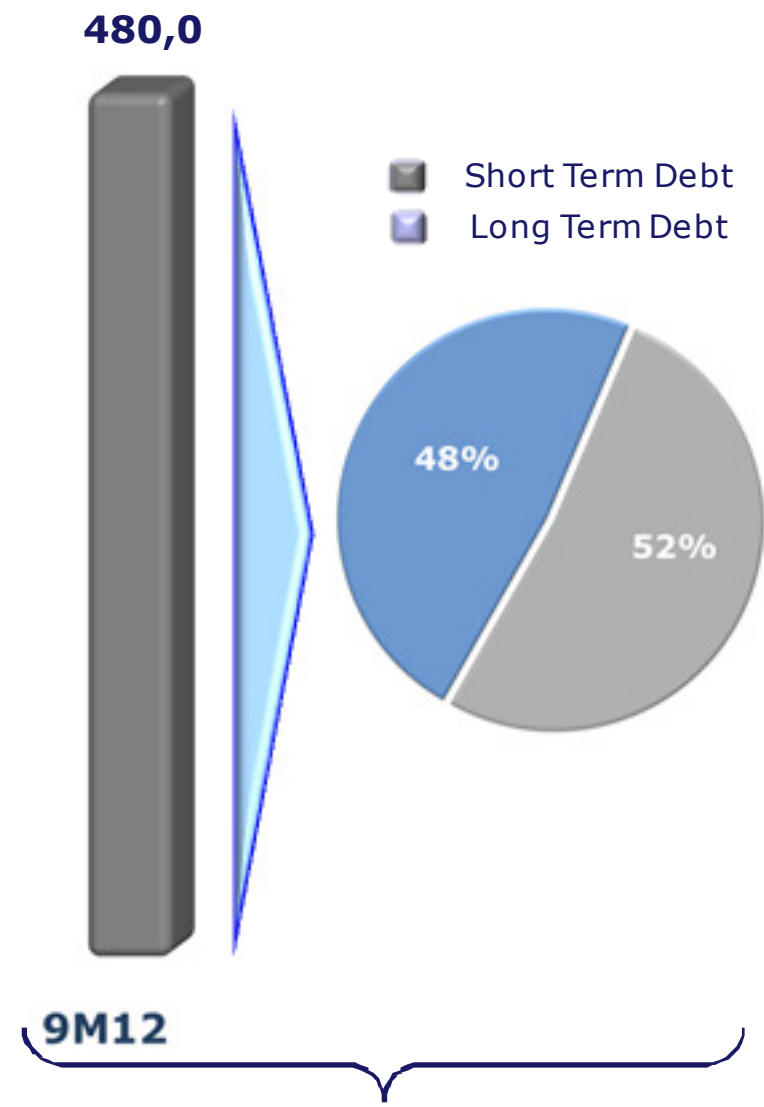




# Equity and Net Financial Position

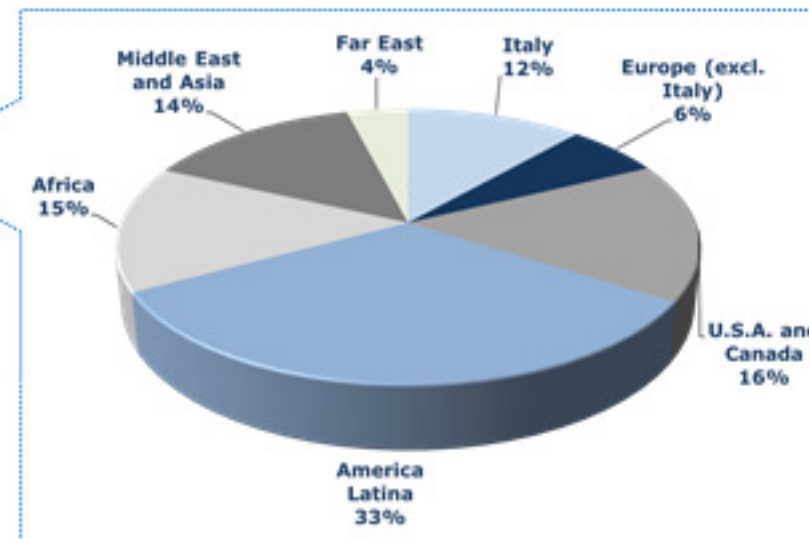
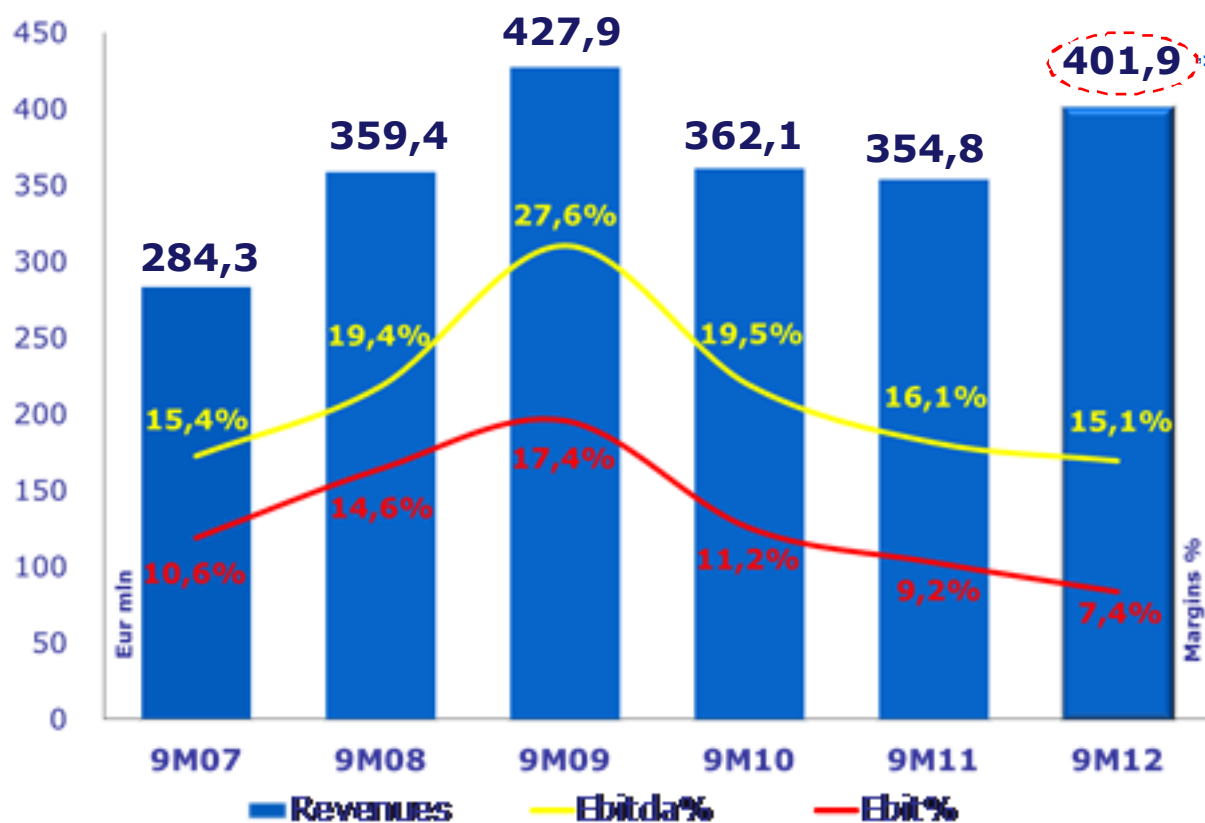


**EQUITY**



**NET FINANCIAL POSITION**

# Foundations and Drilling Services Division



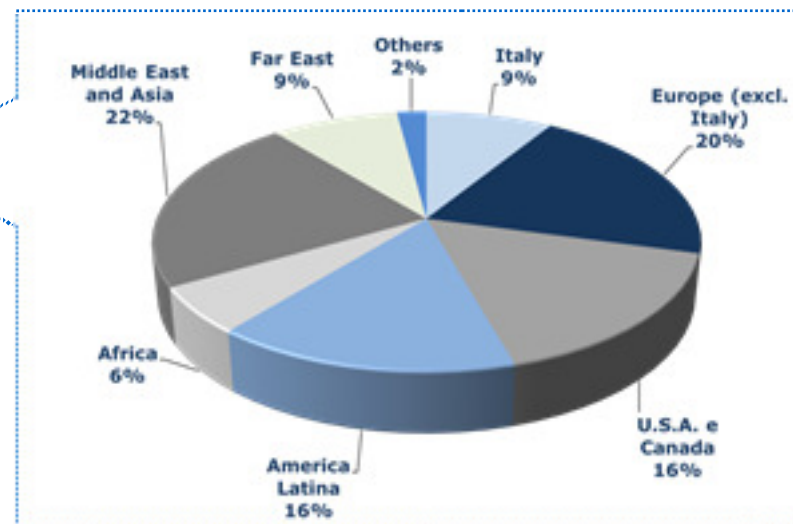
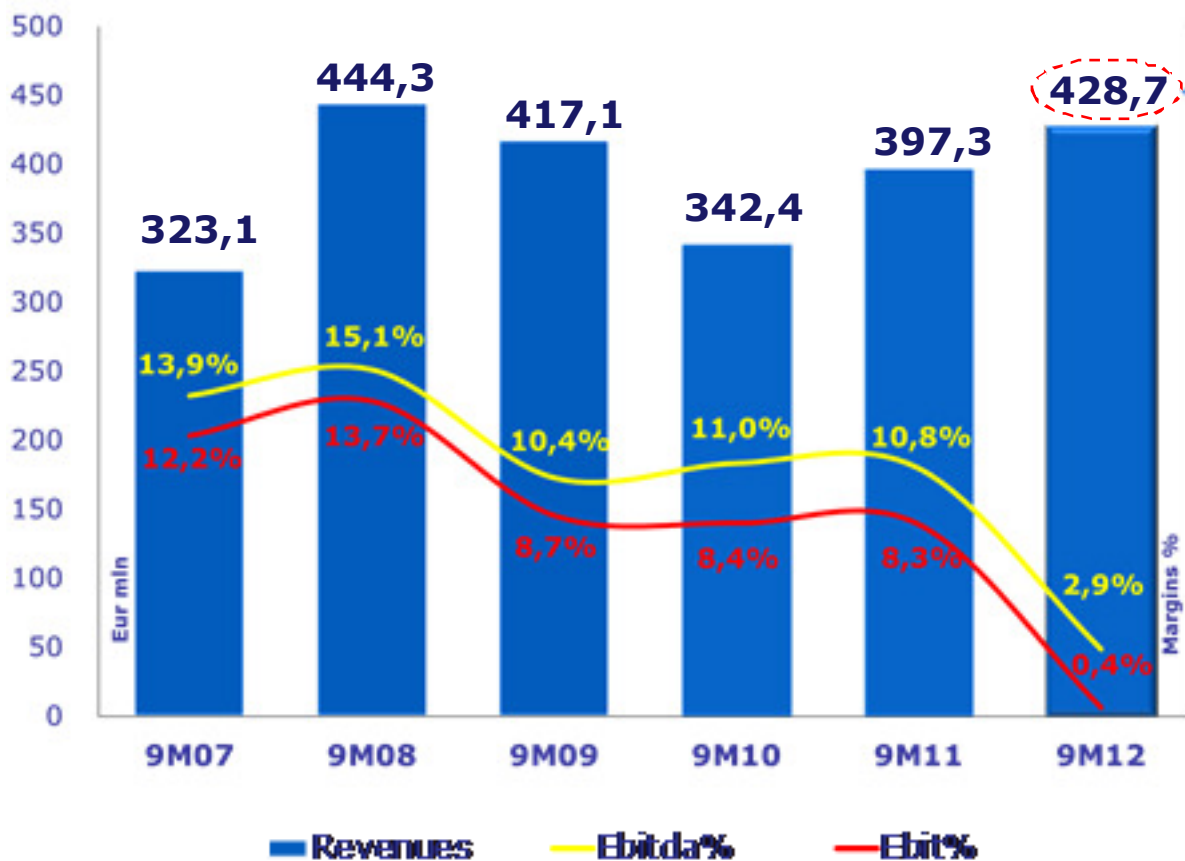
Based on non Consolidated Data

# Mechanical Division



**DRILLMEC**  
DRILLING TECHNOLOGIES

**soilmec**  
Drilling and Foundation Equipment

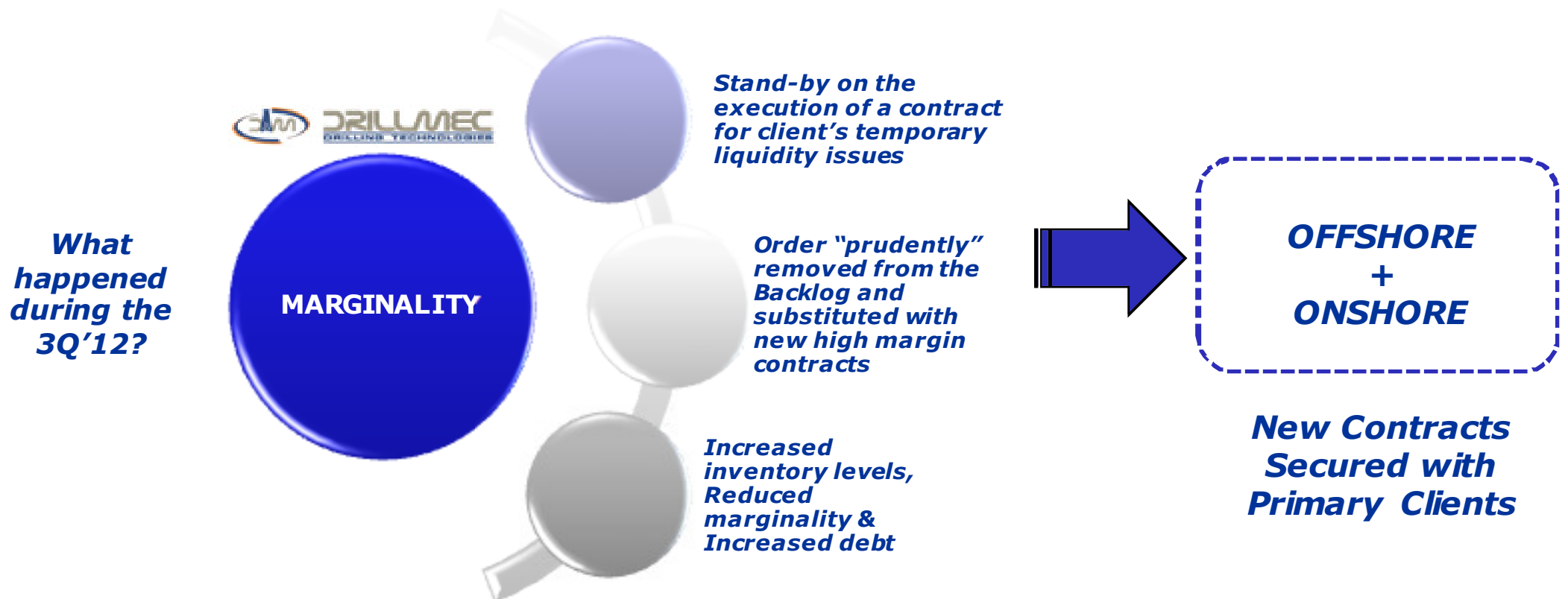


Based on non Consolidated Data

# Drillmec: Key Concerns Resolved

## Overall a timing one-off issue

- *Drillmec's third quarter was affected by "one-off" aspects that are to be considered provisional and absolutely momentary*
- *Growth prospected already in the next quarter*



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## 2. 9M 2012 Financial Results

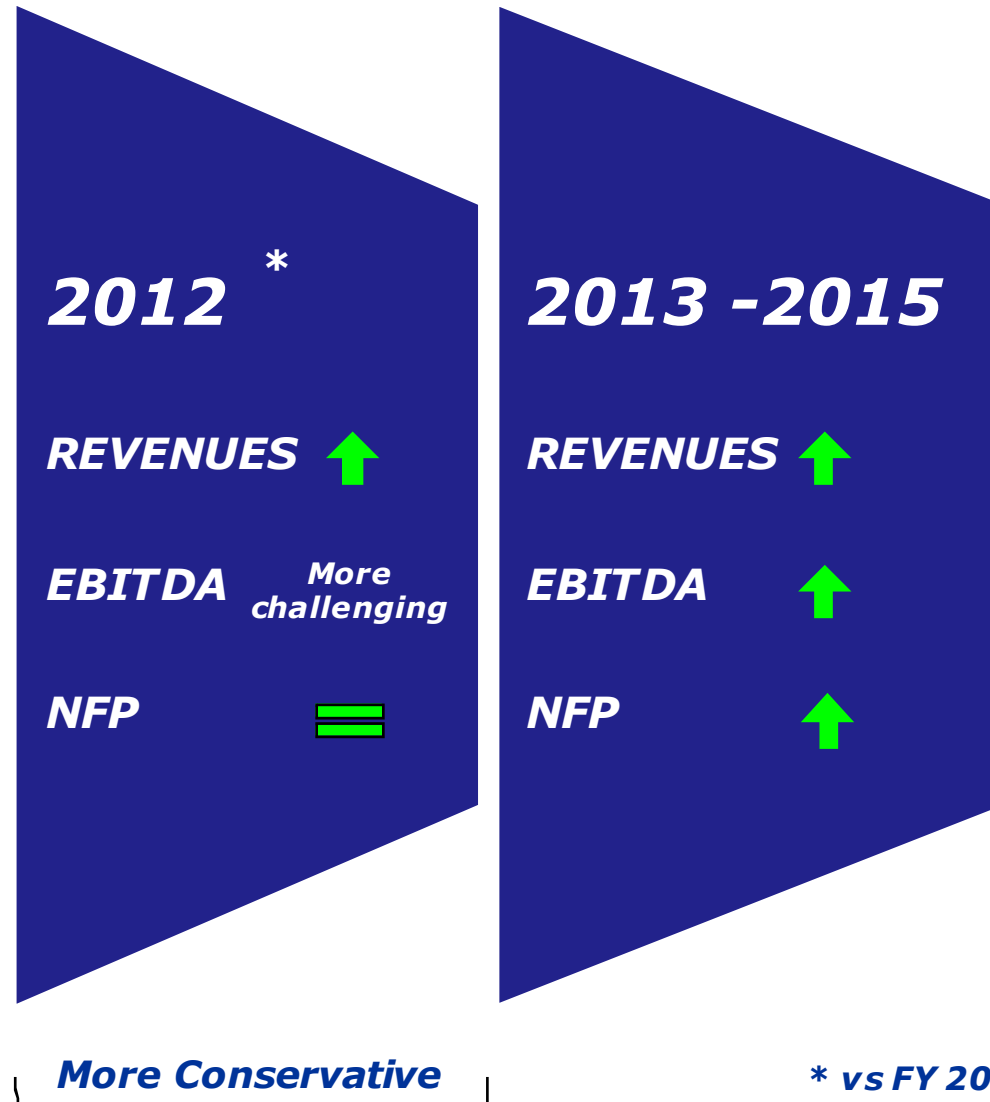
## 3. *Outlook & Appendix*

## 4. Q&A

*Drillmec HH-201*



- ✓ **Increase in Revenues**
- ✓ **Cash generation in 4Q12**
- ✓ **NFP to improve considerably in last quarter (due to key contracts)**
- ✓ **In the m/l term our business model is expected to increase its performance even if the macroeconomic outlook is uncertain**



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# Statement of Financial Position 9M12 vs 9M11 TREVI Group

Eur 000	9M12	9M11	Δ%
<b>Fixed assets</b>			
- Tangible fixed assets	338.532	334.930	
- Intangible fixed assets	25.576	19.614	
- Financial fixed assets	10.181	8.065	
<b>Net working capital</b>			
- Inventories	479.202	490.994	
- Trade receivables	343.734	338.769	
- Trade payables (-)	(194.065)	(294.826)	
- Pre-payments (-)	(80.319)	(111.094)	
- Other assets (liabilities)	11.974	(5.573)	
<b>Fixed assets plus net working capital</b>	<b>934.816</b>	<b>780.879</b>	<b>19,7%</b>
<b>Post-employment benefits (-)</b>	<b>(20.367)</b>	<b>(18.635)</b>	
<b>NET INVESTED CAPITAL</b>	<b>914.448</b>	<b>762.243</b>	<b>20,0%</b>
<i>Financed by:</i>			
<b>Group net shareholders' funds</b>	420.865	365.055	
Minorities' share of net shareholders' funds	12.903	11.531	
<b>Net financial position</b>	480.681	385.659	
<b>TOTAL SOURCES OF FINANCING</b>	<b>914.448</b>	<b>762.243</b>	<b>20,0%</b>



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*Works on the Panama Canal – (PANAMA)*



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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.

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# TREVI Group



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