

## RATING COMMUNICATION

Milan, 07/12/2016

Cerved Rating Agency S.p.A. downgrades to

**B1.1**

**TREVI GROUP** public rating

CESENA (FC) – Via Larga, 201 – Italy

On 07/12/2016 Cerved Rating Agency has revised TREVI GROUP (formerly TREVI - FINANZIARIA INDUSTRIALE S.p.A.) rating from A3.1 to B1.1

First issuance of the rating: 15/06/2014

Following the publication of the results at 30 September 2016 and the relevant analysis, it emerged that in the first nine months of 2016 the Oil&Gas division generated revenues of 192.8 million euro, a decrease of approximately 48.5% compared to the same period in 2015. The backlog for the segment fell from 445 million as at 30/09/2015 to 187 million euro as at 30/09/2016 and now stands at the lowest level in the last 10 years. The revenues of the Special Foundations division in the first nine months of 2016 were 592.0 million euro (against 608.1 million euro in 2015). In the same period EBITDA of Trevi Group were 63.1 million (87.9 million on a rolling basis for the last 12 months). As at 30/09/2016 Net Debt of Trevi Group was 488.8 million euro, a decrease from 532.8 million as at 30/09/2015.

Despite the recovery of oil prices following the OPEC Agreement to cut production starting from January 2017, expectations for the drilling industry remain conservative on the basis of oversupply. The fall in revenues for the Oil&Gas division in the third quarter of 2016 could continue until the end of the year and may even drag on into 2017. Trevi Group is essentially propped up by the business of the Special Foundations division, although this was also hindered in the third quarter by slowdowns in some major projects.

Cerved Rating Agency also examined certain covenants: particularly the Net Debt/EBITDA ratio, that may not be in line with the maximum predefined values at the time of the next assessment (31/12/2016).

The methodology used is available on Cerved Rating Agency's website – [www.ratingagency.cerved.com](http://www.ratingagency.cerved.com)

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*The issued rating is subject to an on-going monitoring until its withdrawal. The rating has been solicited by the rated entity, or a related third party, which has participated to the process providing the analytical team with the requested information. The information used for the analysis includes available public information and proprietary information obtained from sources deemed reliable by Cerved Rating Agency. As per applicable Regulation the rating was disclosed to the rated entity before being issued to review factual errors.*