

# TREVI Group

**2016 Full Year Results**

Ended 31<sup>th</sup> December 2016

**CONFERENCE CALL**

Cesena, 13<sup>th</sup> April 2017



**1. *TREVI Group***

**2. FY 2016 Financial Results**

**3. Q&A**

**4. Appendix**

**TREVI**

Special foundation services

**€612,0m**

 **DRILLMEC**  
DRILLING TECHNOLOGIES

Oil drilling rigs

**€158,5m**

## FY16 Revenues

**soilmeco**  
Drilling and Foundation Equipment

Special foundation rigs

**€238,9m**

 **Petreven**

Oil drilling services

**€116,0m**

# TREVI

Special foundation services

## €612,0m

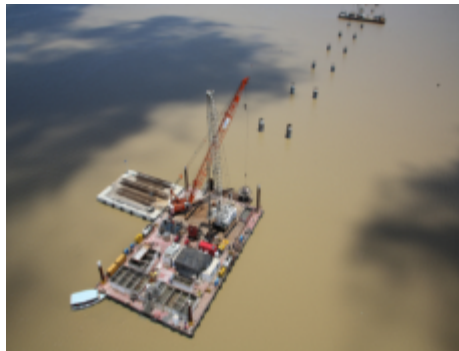
*FY 16 Revenues*



**Geotechnical Works**



**Environment**



**Marine Works**



**Deep Foundations**



**Tunnel Consolidation**



Special foundation rigs

€238,9 mln

FY16 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





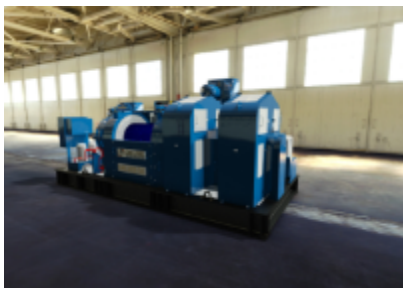
**Land Rigs**



**Hydraulic Drilling Rigs**



**Mud Pumps**



**Drawworks**



**Modular Offshore**



**Conventional Packages**



**AHEAD Rigs**



**Top Drives**



**Oil drilling rigs**

**€158,5m**

*FY16 Revenues*

## ARGENTINA:

7 RIGS HH102

3 RIGS HH220



1 WO MR5000



## PERU':

2 RIGS HH102



## CILE:

1 RIG HH220



1 WO MR5000

## VENEZUELA:

1 RIG HH200



1 RIG HH300

## COLOMBIA:

1 RIGS HH200



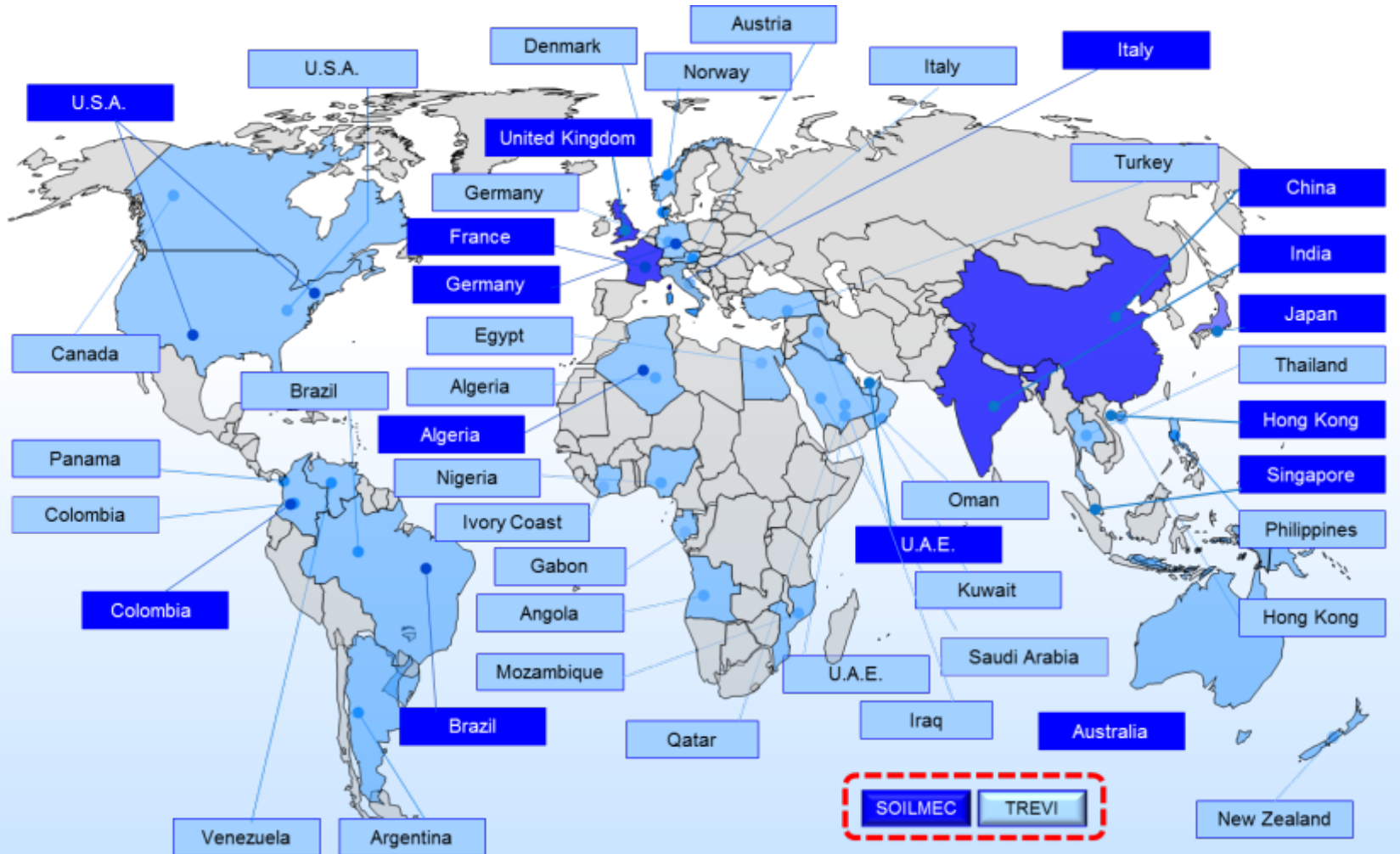
 **Petreven**

Oil drilling services

**€116,0m**

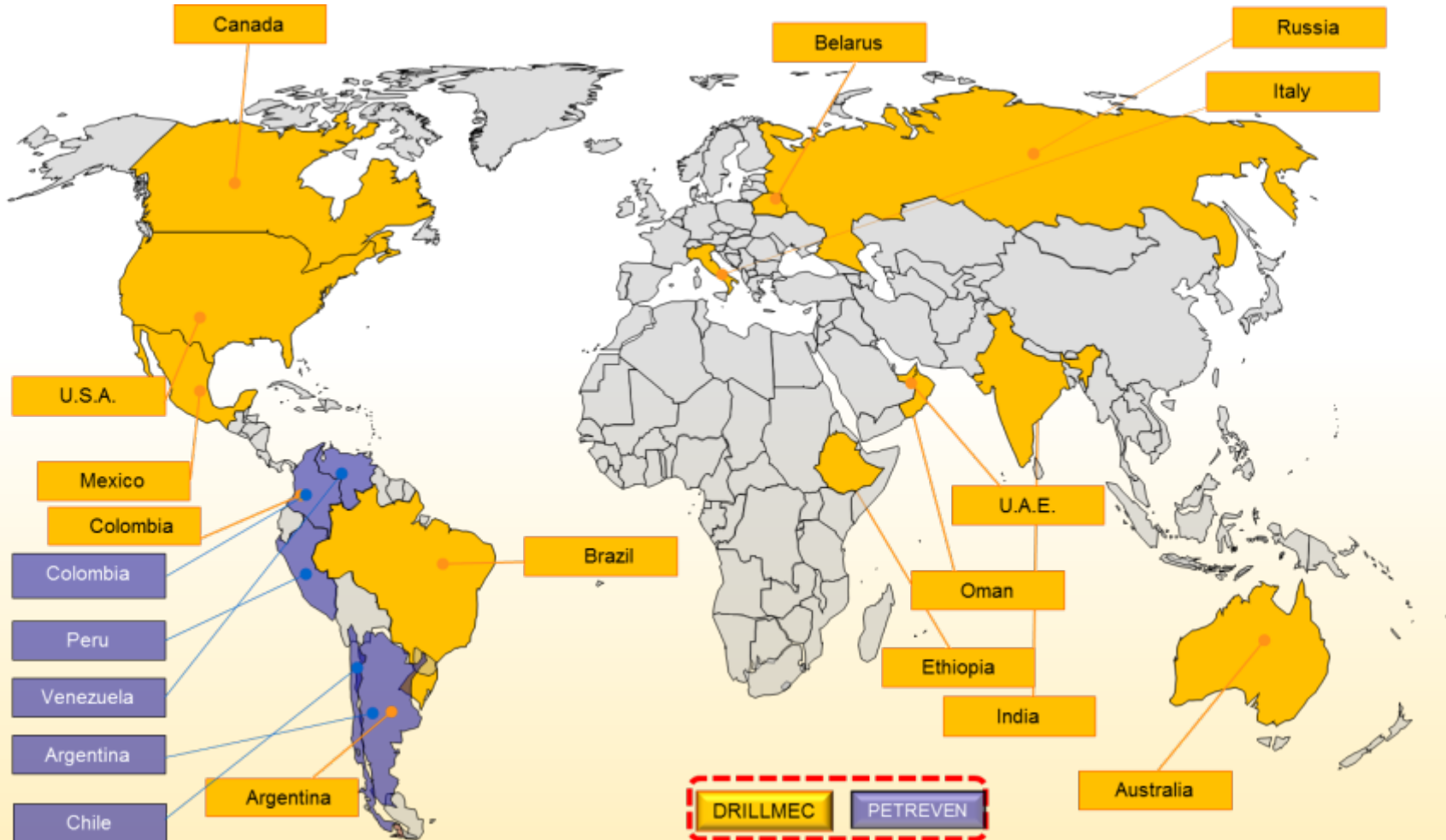
*FY16 Revenues*

# Foundations Sector





# Oil & Gas Sector



# Group's Divisions Overlook

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

**TREVI**Group

- As per the organizational improvement Marco Andreasi has been appointed as Central Director and Roberto Carassai as CFO



- 
- Slight increase in Revenues, setting new historical record for the Division at 612M/EUR;
  - EBITDA Margin expansion by 0.3% versus previous year; combined effect on EBITDA of extra volume and extra margin is approximately +5 M/EUR versus 2015
  - Strong order intake in 2016, 630 million Euro;
  - Trevi Division hard backlog represents 66% of total; it increased to 630 million Euro from 610 (FY 2015);
  - Continued cash generation in the division;
  - Positive trends in international construction markets and in particular in infrastructure sector in Middle East and USA.
  - In 2016 Trevi has been awarded with the first project in Australia



- 
- Soilmec kept market share and raised the profitability, especially for top range models.
  - Some markets confirmed their positive trend for profit with less turnover and the new models launch is confirming the Brand quality worldwide.
  - Company continued the overhead saving actions started last year and achieved a better efficiency in the manufacturing processes.
  - NFP, as expected, was in line with the previous year.

# Group's Divisions Overlook



- Despite big uncertainty in O&G business, in last quarter 2016 some enquiries have been received and a number of new quotation have been released with positive result in first months of 2017;
- The YoY decrease in revenues had a big negative impact in the financial statement of the whole division, despite Overheads were decreased of about 48% YoY at division level.
- Drillmec is continuing the cost saving policy with a deep reorganization including a new qualified general Manager;
- Service Activity, a new important sector for Drillmec, has been reorganized during the year and it is actually working for refurbishing of existing Rigs. This can be considered a positive sign from the market that is coming back slowly but clearly;
- One important Project has been awarded in Latin America. The Project is slightly delayed due to client decisions;
- The stock increase due to market conditions negatively impacted the net financial position. The Company is focused to clear Rigs on stock with ongoing negotiations



- 
- 4Q16 significant recovery in revenues compared to the previous quarters;
  - Marginality challenged by more uncertain environment
  - Negotiating contracts renewals to secure continuing operations
  - reorganization plan and cost cutting ongoing
  - Increased cash generation due to management focus on working capital optimization through reduction of receivables
  - Recent sign of recovery in demand of Rig services

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**4. Appendix**

# Financial Highlights

*Revenues*

**€ 1.081m**

*Ebitda*

**€76m**

*Ebit*

**€-38m**

*Ebt*

**€-78m**

*Backlog*

**€956m**

*Net Financial Position*

**€441m**

# Financial Highlights FY16 yoy

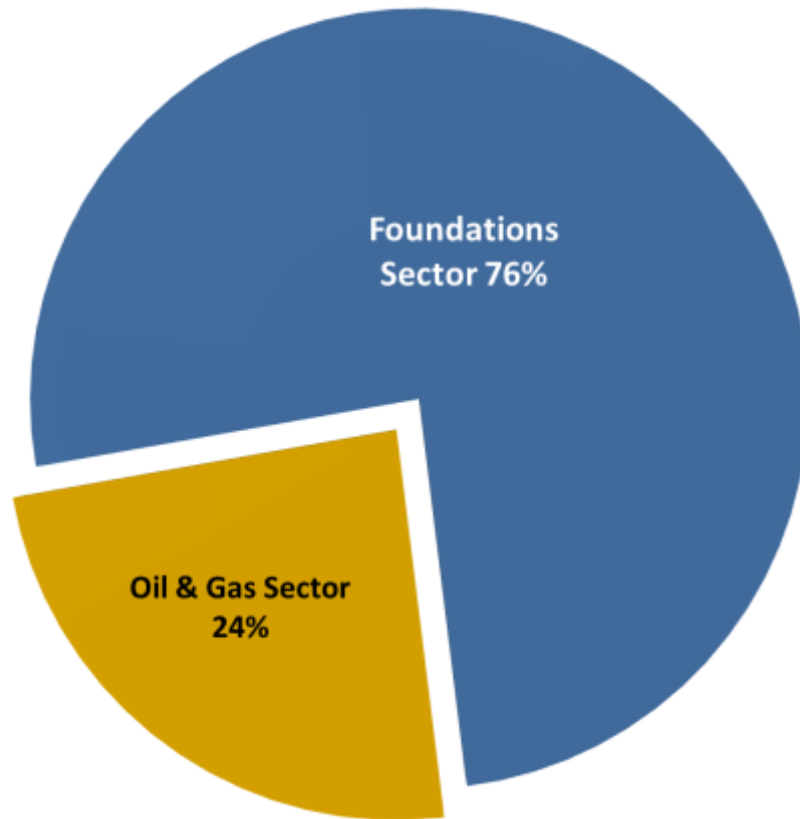
	31/12/16	%	31/12/15	%
VALUE OF PRODUCTION	1.149,4		1.368,4	
REVENUES	1.080,5	100,0%	1.342,3	100,0%
EBITDA	75,7	7,0%	8,9	0,7%
EBIT	(38,1)	-3,5%	(87,9)	-6,5%
FINANCIAL COSTS	(27,0)	-2,5%	(29,6)	-2,2%
TAXES	6,0	0,6%	(16,3)	-1,2%
NET RESULT	(86,4)	-8,0%	(115,2)	-8,6%
	31/12/16		31/12/15	
NET CAPITAL EMPLOYED	923,6		999,8	
EQUITY	482,7		579,6	
NET FINANCIAL POSITION	440,7		419,8	
BACKLOG	956,4		949,4	
	31/12/16		31/12/15	
NFP / EBITDA	5,8X		n/a	
NFP / EQUITY	0,91X		0,72X	
	31/12/16		31/12/15	
EMPLOYEES	7.237		7.867	

# Revenues Before and After Consolidation

Eur mln	31/12/16	31/12/15	Δ%
Drilling Rigs (DRILLMEC)	158,5	403,5	-60,7%
Drilling Services (PETREVEN)	116,0	146,2	-20,7%
Interdivisional Adjustments and Eliminations	(1,3)	(2,1)	
<b>Sub-Total Oil &amp; Gas Sector</b>	<b>273,1</b>	<b>547,6</b>	<b>-50,1%</b>
Special Foundation Services (TREVI)	612,0	591,5	3,5%
Machines for Special Foundations (SOILMEC)	238,9	252,0	-5,2%
Interdivisional Adjustments and Eliminations	(21,2)	(16,9)	
<b>Sub-Total Foundation Sector</b>	<b>829,6</b>	<b>826,5</b>	<b>0,4%</b>
Parent Company	26,6	26,7	
Interdivisional Eliminations	(48,8)	(58,6)	
<b>TOTAL CONSOLIDATED REVENUES</b>	<b>1.080,5</b>	<b>1.342,3</b>	<b>-19,5%</b>

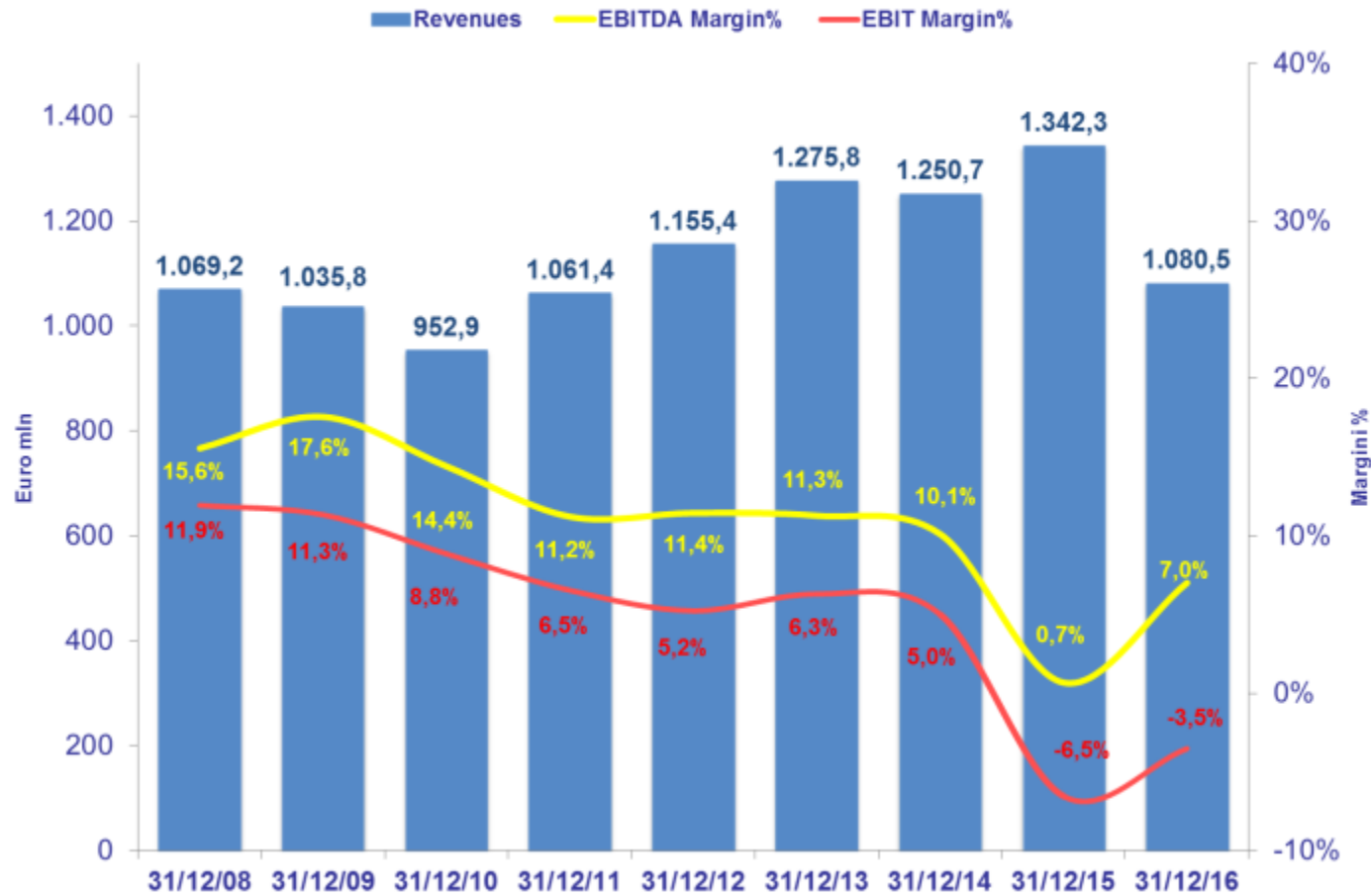
# One Group

**Revenues**  
€ 1.081m



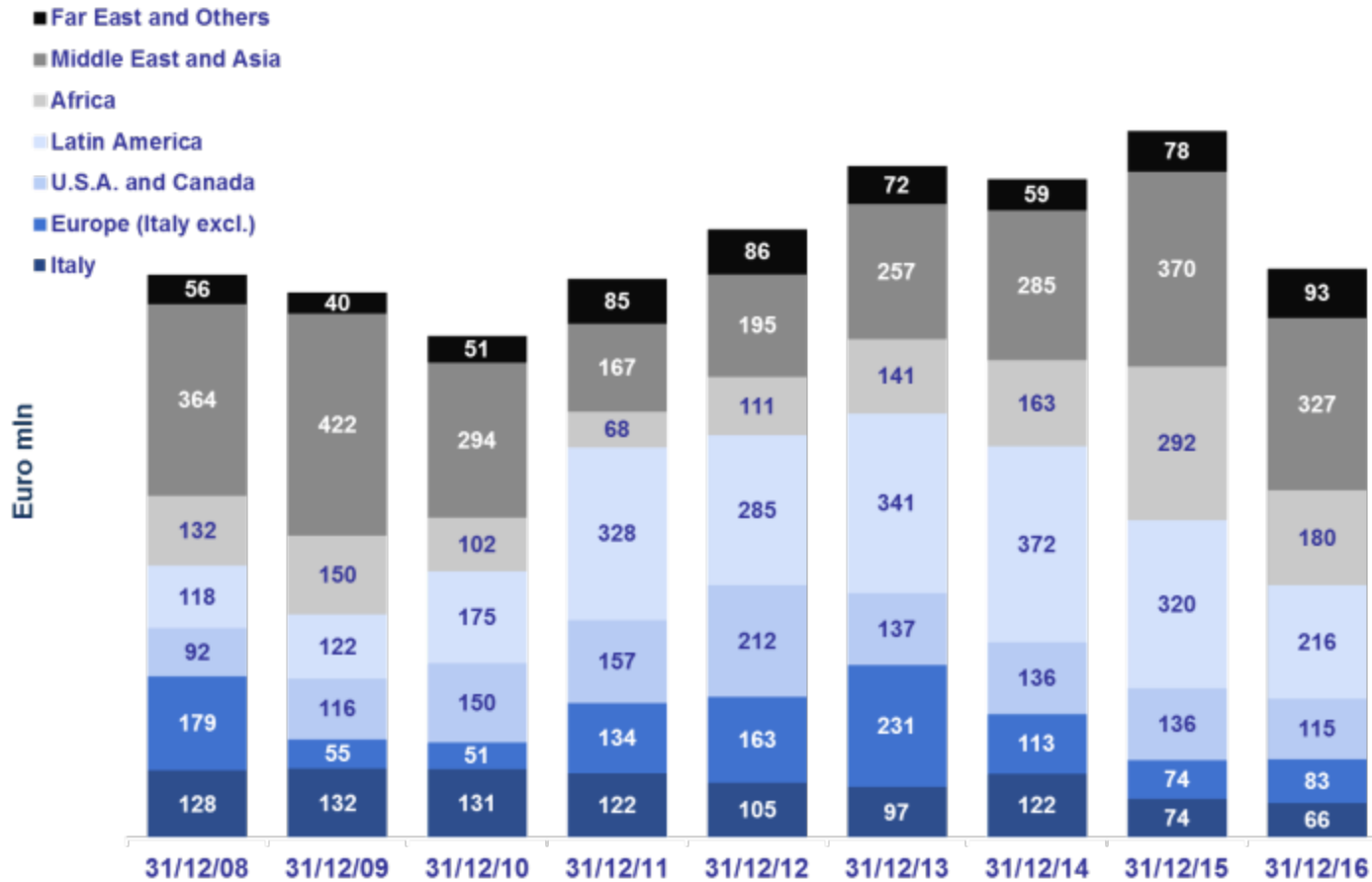


# Financial Ratios

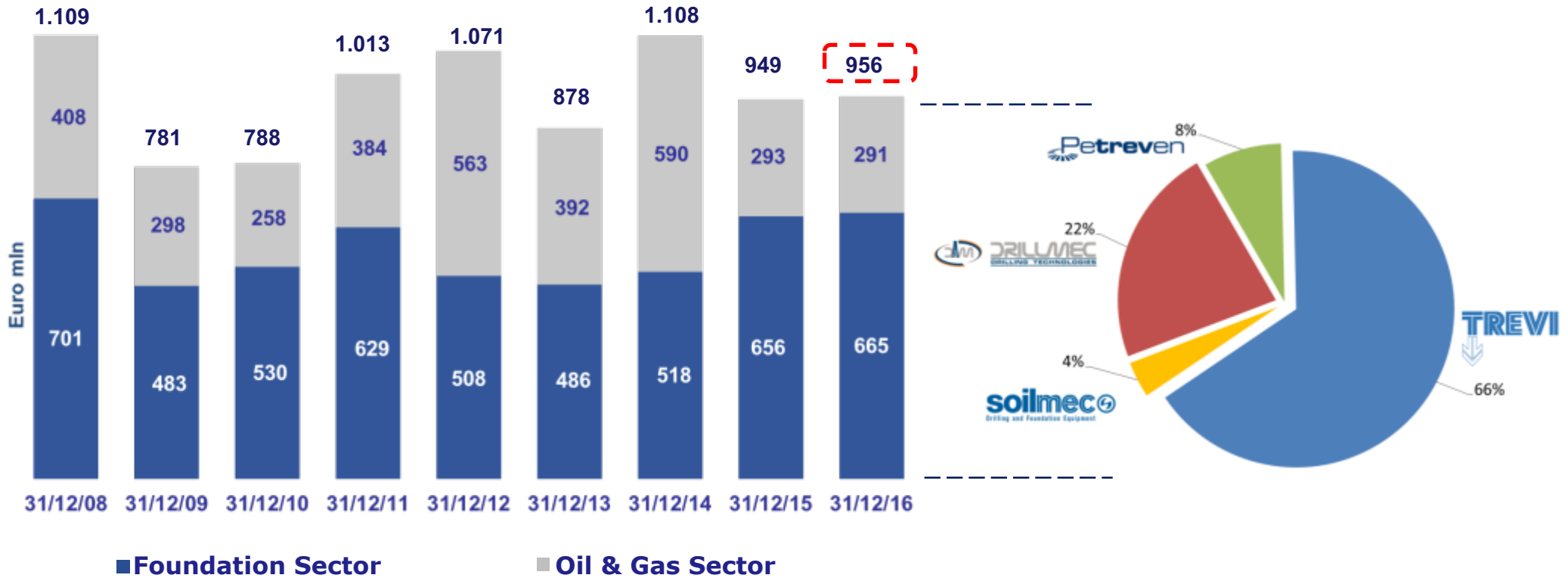




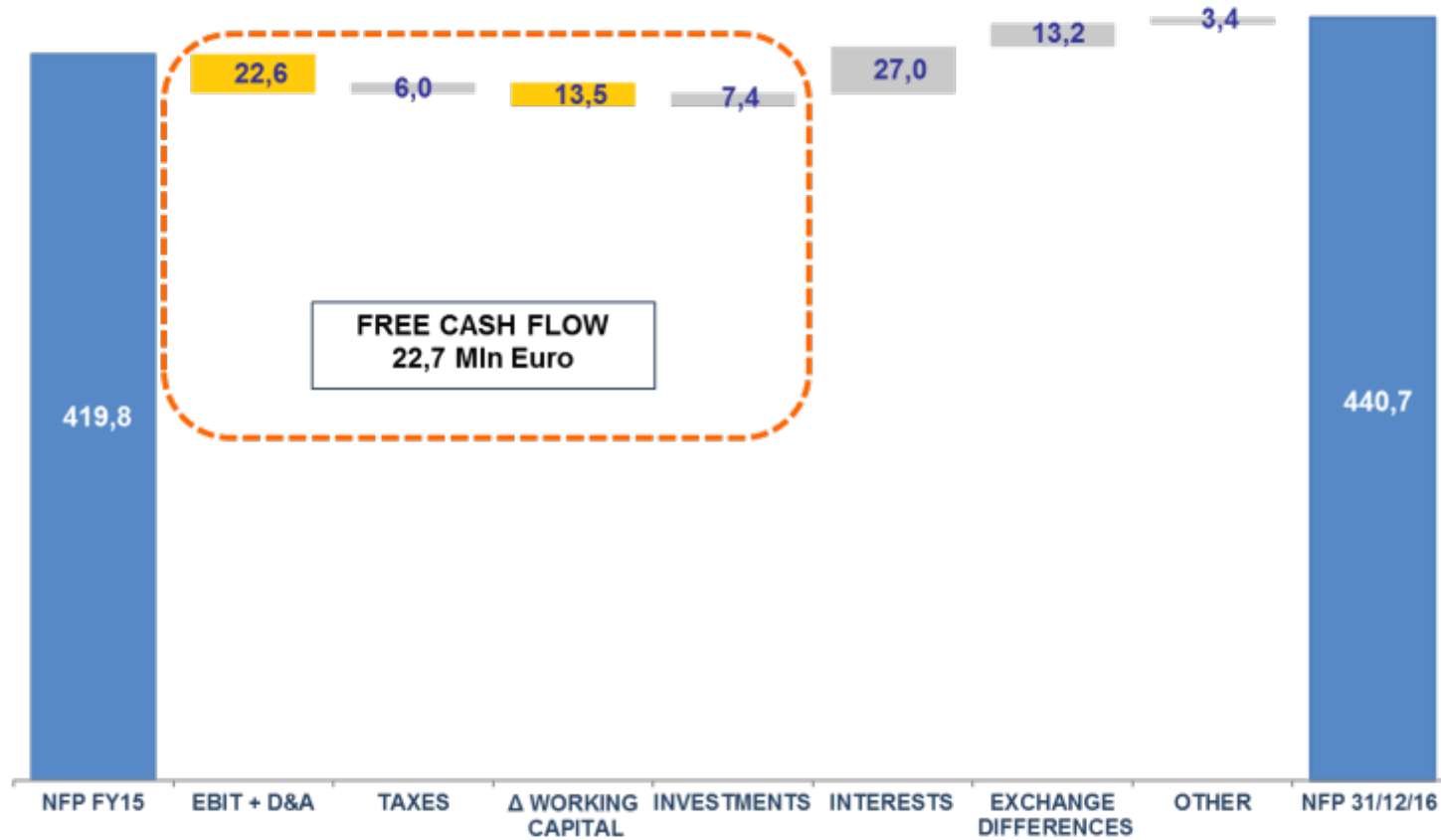
# Breakdown per Geographical Area



# Backlog



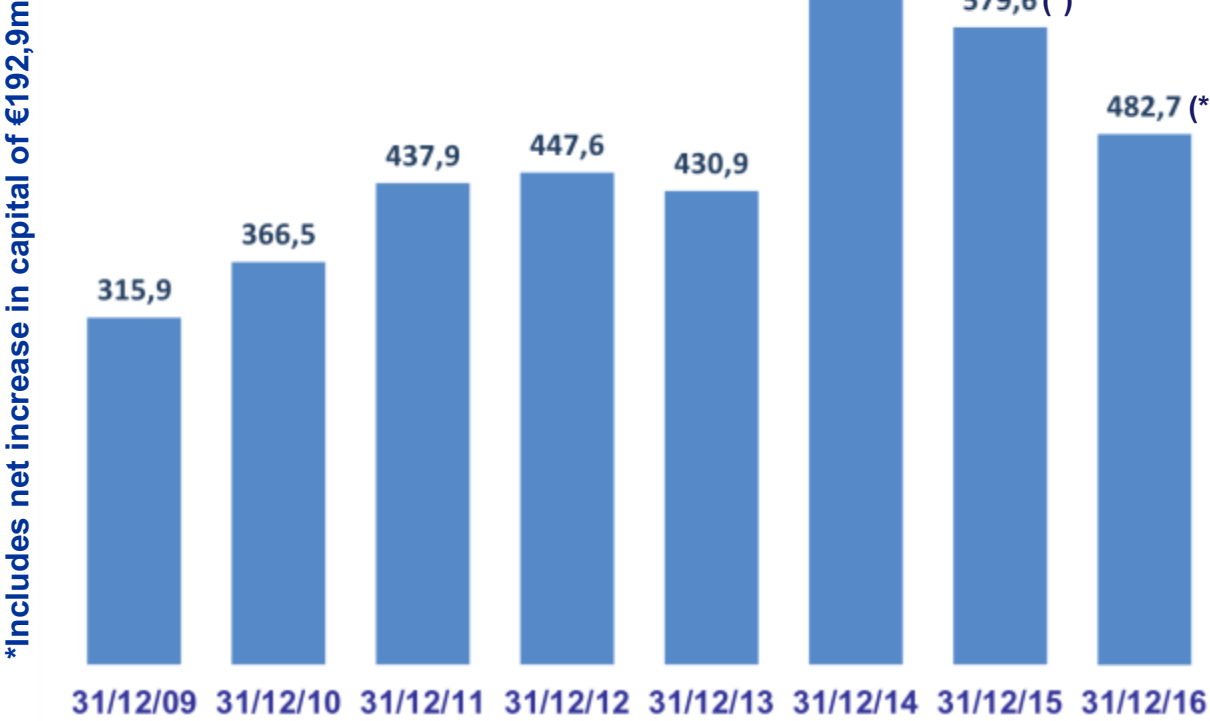
# Net Financial Position



# Equity and Net Financial Position

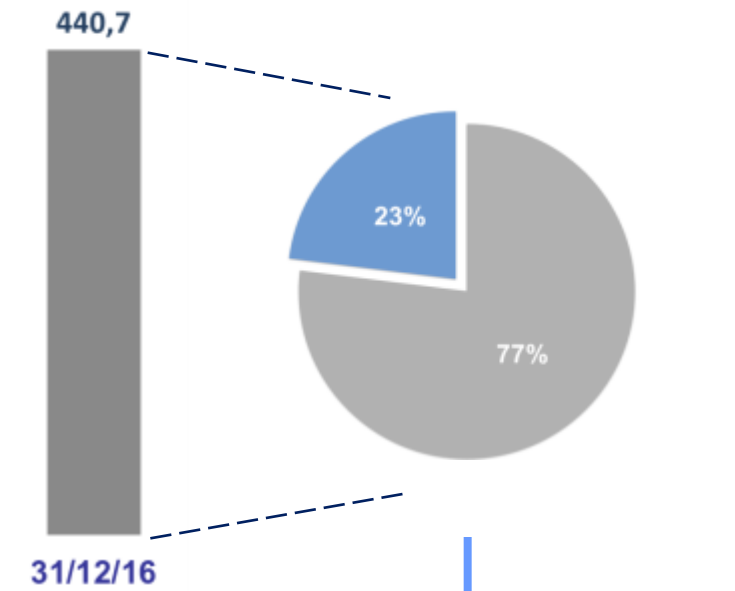
Euro mln

CAGR 31/12/09 ~ 31/12/16 = +6,2%



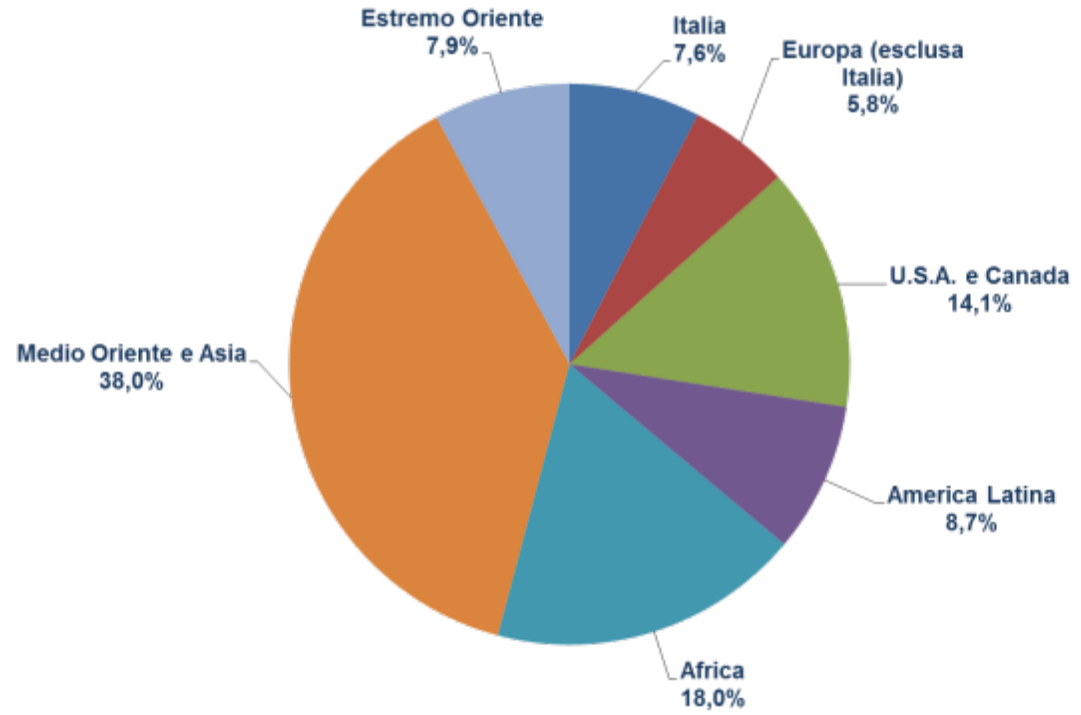
**EQUITY**

Short Term Debt  
Long Term Debt



**NET FINANCIAL POSITION**

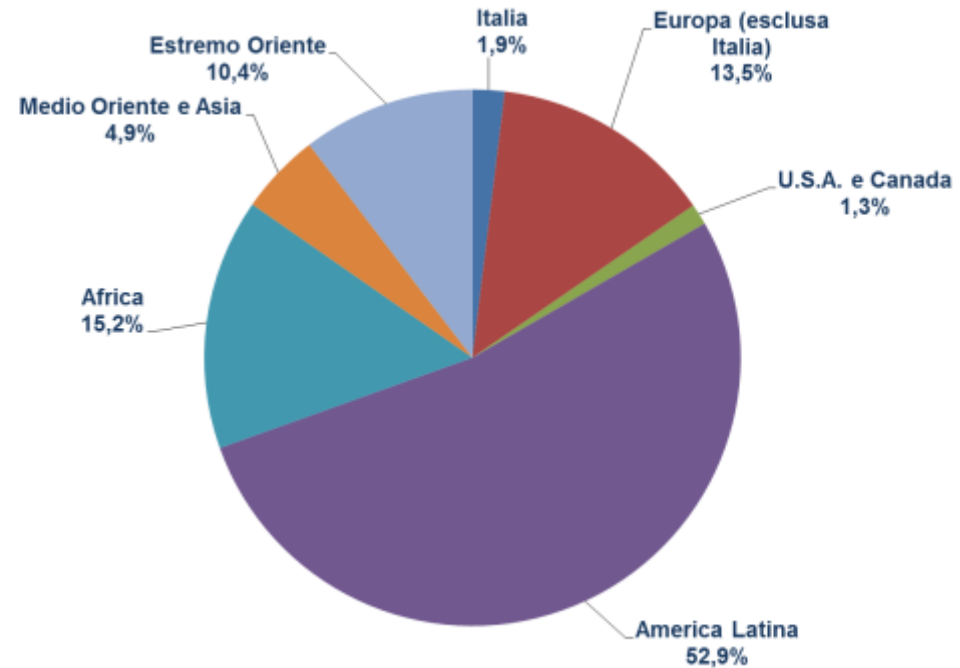
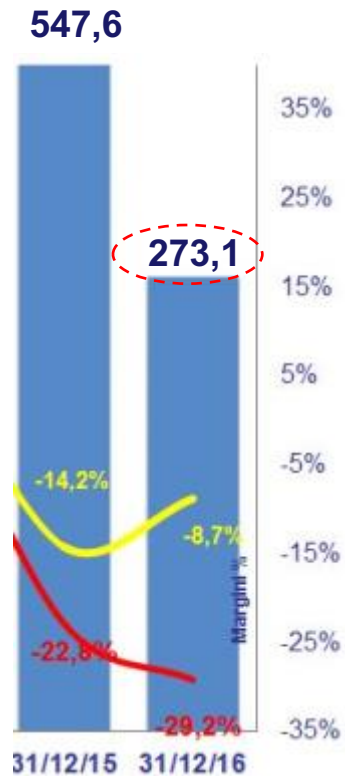
# Foundations Sector



■ Revenues    ■ Ebitda%    ■ Ebit%

Based on non Consolidated Data

# Oil & Gas 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.*
- *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*





*MOSUL DAM*

*Site installation:  
Grouting gallery*





TREVI

*Galata, Cruise Terminal,  
Istanbul*



TREVI

*One Dalton  
Boston - USA*



TREVI

*Brookfield Project,  
Dubai  
(Norman Foster)*



TREVI

*Metro line  
El Harrach - Algeria*

**SR-65 SR-70**  
**Soilmec**

**Colombia**





**soilmec**   
Drilling and Foundation Equipment

**SR-75**  
**Soilmec**

**Canada**



**soilmecc**  
Drilling and Foundation Equipment

***New SC-135  
Soilmec  
Istanbul - Turkey***



## 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



## PETREVEN

Petreven Chile has been working in the Project Cerro Pabellón for geothermal wells in Apacheta since November 2015.

The drilling activity is carried out with a Rig H202 Extreme (HH220 Drillmec) at 4.600 mt on the sea level and the temperature on site ranges from  $-25^{\circ}\text{C}$  to  $18^{\circ}\text{C}$ .

This Geothermal Plant, to be finished within June 2018, will be the first in South America



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# Income Statement FY16 vs FY15

Eur 000	31/12/16	31/12/15
<b>TOTAL REVENUES</b>	<b>1.080.524</b>	<b>1.342.302</b>
Changes in inventories of finished and semi-finished products	60.919	3.300
Increase in fixed assets for internal use	7.922	22.783
Other non-ordinary operating revenues	0	0
<b>VALUE OF PRODUCTION</b>	<b>1.149.365</b>	<b>1.368.385</b>
Raw materials and external services	810.889	1.075.872
Other operating costs	19.248	19.737
<b>VALUE ADDED</b>	<b>319.228</b>	<b>272.777</b>
Personnel expenses	243.555	263.844
<b>EBITDA</b>	<b>75.673</b>	<b>8.933</b>
<i>% Total Revenues</i>	<i>7,0%</i>	<i>0,7%</i>
Depreciation	60.666	63.038
Provisions and write-downs	53.061	33.759
<b>EBIT</b>	<b>(38.054)</b>	<b>(87.864)</b>
<i>% Total Revenues</i>	<i>-3,5%</i>	<i>-6,5%</i>
Financial revenues/(expenses)	(26.969)	(29.599)
Gains/(Losses) on exchange rates	(13.159)	(13.744)
Other Gains/(Losses)	(104)	(556)
<b>EBT</b>	<b>(78.286)</b>	<b>(131.764)</b>
Tax	6.016	(16.309)
Minorities	2.098	(268)
<b>GROUP NET RESULT</b>	<b>(86.400)</b>	<b>(115.187)</b>

# Statement of Financial Position FY16 vs FY15

Eur 000	31/12/16	31/12/15
<b>Fixed assets</b>		
- Tangible fixed assets	356.415	399.877
- Intangible fixed assets	65.226	87.150
- Financial fixed assets	6.927	5.709
<b>Net working capital</b>		
- Inventories	500.567	522.736
- Trade receivables	362.990	447.977
- Trade payables (-)	(260.586)	(360.541)
- Pre-payments (-)	(141.465)	(169.413)
- Other assets (liabilities)	53.280	87.485
<b>Fixed assets plus net working capital</b>	<b>943.351</b>	<b>1.020.978</b>
<b>Post-employment benefits (-)</b>	<b>(19.729)</b>	<b>(21.225)</b>
<b>NET INVESTED CAPITAL</b>	<b>923.622</b>	<b>999.753</b>
<i>Financed by:</i>		
<b>Group net shareholders' funds</b>	472.369	564.914
Minorities' share of net shareholders' funds	10.371	14.659
<b>Total financial indebtedness</b>	440.882	420.180
<b>TOTAL SOURCES OF FINANCING</b>	<b>923.622</b>	<b>999.753</b>

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# Company Facts

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

Fully integrated Special Foundation Services and Oil & Gas Company

**172**  
Dams worldwide

**6**  
Main projects  
US Army Corps

**1st**  
Oil & Gas Rig  
manufacturer in  
Europe

**>62**  
Marine Projects in the  
world

**>50**  
Metros in  
world

\*Includes FSI

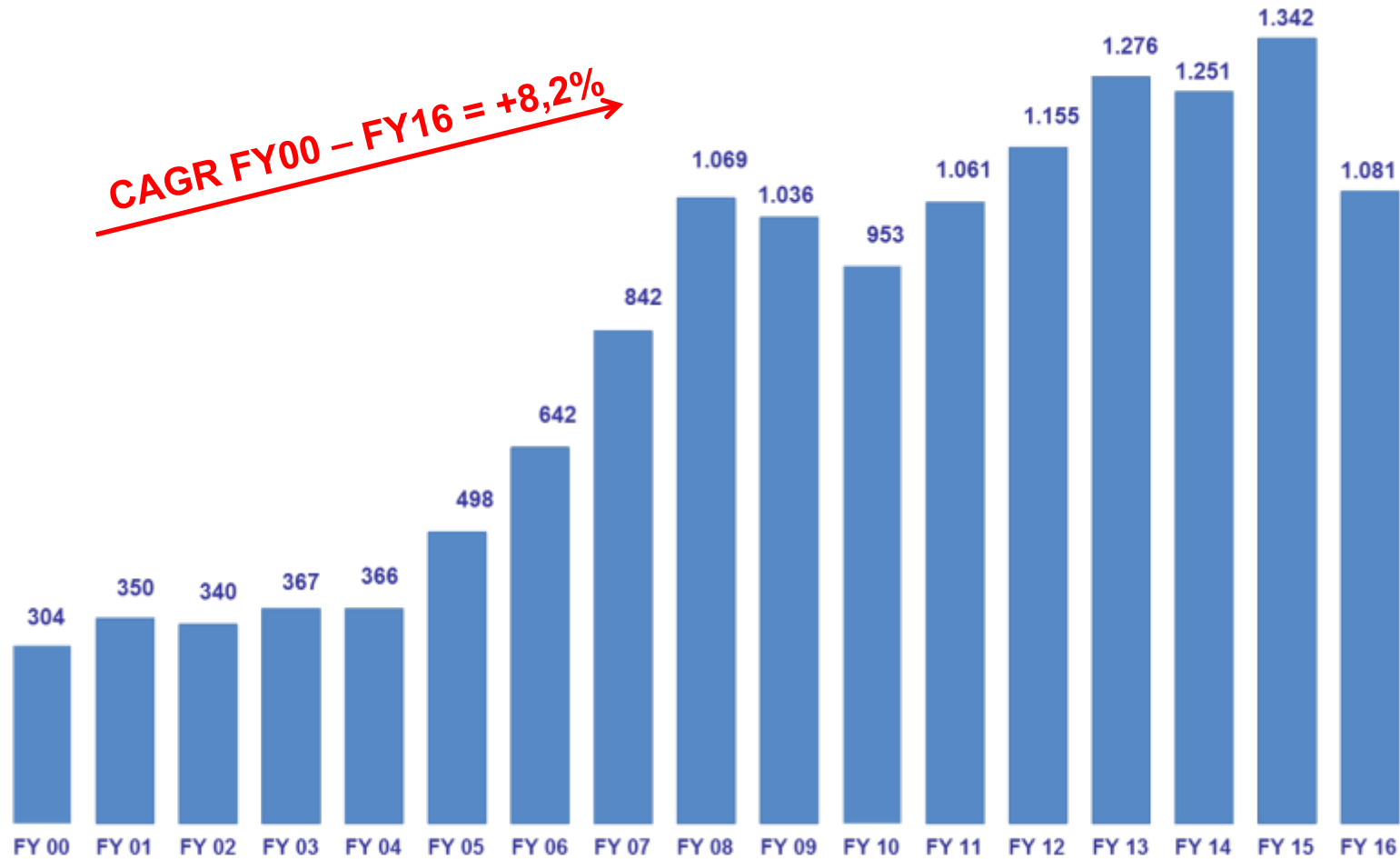


# The Group

<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 2016 Results</b></p> <p><b>Revenues €1,081m</b></p> <p><b>Ebitda €76m</b></p> <p><b>Ebit €-38m</b></p> <p><b>NFP €441m</b></p>	<p><b>FY 2016 KPI</b></p> <p><b>Added Value €319m</b></p> <p><b>Backlog €956m</b></p>	<p><b>Employees 7,237</b></p> <p><b>FY 2016</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.



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