

RUBIS

Mid cap: logistics (full coverage)



Q4: safe margins despite a different sales mix; est. adj.

Topic: Q4/FY Sales. Feedback from conference call.

EURm	Q4 2009	Q4 2008	Q4E 2009	FY 2009	FY 2008	FYE 2009
Sales	274	330	268	952	1,193	947
yoy in %	-17%	-	-	-20%	-	-21%
Rubis Energy						
Sales	215	246	225	763	894	772
yoy in %	-13%	-	-	-15%	-	-14%
Rubis Terminal						
Sales	58	84	43	189	298	174
yoy in %	-30%	-	-	-37%	-	-42%
o/w storage	24	23	23	87	78	86
o/w trading	35	61	21	102	220	88

RUBIS' Q4 sales mix slightly differed from our expectations on the key metrics:

- RUBIS Energy (55%E of the 2009 EBIT): volumes of European LPG (end markets: heating, cooking, transportation) declined by 1.5% (vs +2%E) due to unfavourable weather conditions (higher temperatures YoY). On the positive side, the success of Frangaz (JV at 50%) is confirmed with annual volumes at 5,500 tonnes (+60% YoY), which bodes well for an EBITDA at break-even in 2009 (i.e. €1mE EBIT loss vs -€2.8m in 2008) and a swing to a profit in 2010. Despite strong comps and a surge of input prices (propane +60% YoY), RUBIS was able to maintain the margin per tonne in Q4 2009 (in absolute terms), which demonstrates again its ability to react in a fast changing environment. The bulk of RUBIS Energy's profitability was, anyway, already achieved in H1 (60% of the annual profitability is seasonally generated in the first half of the year).
- RUBIS Terminal (45%E of the 2009 EBIT): storage revenues (€24m) came in above expectations (€23mE) thanks to a robust contribution from Rotterdam (+21% in Q4; revenues doubled to close to €9m YoY) and market share gains in France (+6% in Q4 YoY) in petroleum products (e.g. at Dunkirk, RUBIS already benefited from market share gains due to the likely closure of a local refinery). The difference in trading income (€35m vs €21mE) is not meaningful (low-risky activity generating €1-1.5m of EBITDA every year).

All in all, the vigorous performance at RUBIS Terminal compensates the slight disappointment of volumes at RUBIS Energy. Thus, estimates are barely changed.

2010 has got off to a good start with: 1/ favourable weather conditions so far for RUBIS Energy in France; 2/ easy comps in the Caribbean (strikes shaved €1.5m of profitability last year); 3/ the strong rise of new containers at Frangaz mechanically implies higher volumes for 2010; 4/ structural market share gains for RUBIS Terminal in France given that loss-making refineries are regularly shut down; and 5/ extensions at Rotterdam (€20m capex to be spent in 2010 vs a cumulated c.€90m from 2006-2009). On top of these buoyant developments, RUBIS is prepared to benefit from any M&A deal that can arise (€200m of available credit line; "equity line" of c.€60m). BUY this safe story. PT (CFRoEV 2010/11) €68.

Y/E 31.12., EUR m	2005	2006	2007	2008	2009e	2010e	2011e
Sales	350	728	852	1,192	952	1,024	1,051
EBITDA	48	66	80	97	115	123	131
EBIT	34	44	54	72	81	86	92
Net profit	19	30	38	43	47	51	55
Y/E net debt (net cash)	96	82	93	175	196	213	211
EPS reported	2.61	3.46	3.84	4.08	4.25	4.62	4.97
EPS recurring ⁽¹⁾	2.38	3.09	3.84	4.08	4.25	4.62	4.97
CPS	4.57	7.38	6.38	7.12	7.62	8.20	8.76
DPS	1.90	2.14	2.45	2.65	2.65	2.65	2.65
Gross margin	36.8 %	26.7 %	27.7 %	23.4 %	32.3 %	32.0 %	32.6 %
EBITDA margin	13.7 %	9.1 %	9.4 %	8.2 %	12.0 %	12.0 %	12.4 %
EBIT margin	9.7 %	6.1 %	6.3 %	6.1 %	8.5 %	8.4 %	8.8 %
Dividend yield	3.2 %	3.7 %	4.2 %	4.5 %	4.5 %	4.5 %	4.5 %
ROCE ⁽²⁾	7.8 %	8.7 %	9.1 %	10.3 %	10.3 %	10.4 %	10.7 %
EV/sales	1.7	0.8	0.8	0.7	0.9	0.8	0.8
EV/EBITDA	12.4	9.0	8.5	8.1	7.3	7.0	6.6
EV/EBIT	17.4	13.5	12.7	10.9	10.4	10.0	9.4
PER	24.6	18.9	15.2	14.3	13.8	12.7	11.8
Cash flow RoEV	3.0 %	5.1 %	6.4 %	6.5 %	7.5 %	8.1 %	8.9 %

Note: 1) Adjusted for non-recurring items. 2) EBIT/average capital employed. Source: Company data, Berenberg Bank

Price: EUR 58.50

08/02/2010 Paris Close

Buy

Price target: EUR 68.00

Hurdle rate (after tax): 7.4%

Reuters RUBF - Bloomberg RUI FP

Share data

Shares outstanding (mill.)	10.9
Market capitalisation (mill. EUR)	640
Enterprise value (mill. EUR)	864
Free float	76.0%
Ø daily trading volume (pcs.)	15,000
Authorised capital (mill. pcs.)	-
Company agenda	FY 10.03.10

Performance data

High 52 weeks (EUR)	65.2
Low 52 weeks (EUR)	40.6
Relative performance to	CAC MS190
1 month	1.2 %
3 months	-6.3 %
12 months	-8.6 %

Key data

Price/book value	1.2
Net gearing	39.4 %
CAGR sales 2005 - 2011	20.1 %
CAGR EPS 2005 - 2011	12.0 %



Change	2009e	2010e	2011e			
old	Δ	old	Δ			
Sales	947	0.6%	1022	0.2%	1048	0.2%
EBIT	81	0.0%	86	0.4%	92	0.0%
EPS	4.25	0.0%	4.60	0.5%	4.97	0.0%

Business activities:

LPG distribution and bulk liquid storage

Major shareholders:

HALISOL 6.0%; ORFIM 5.9%; Groupe Industriel Marcel Dassault 5.4%; Columbia Wanger AM: 3.0%

February 9, 2010

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