

Q2 results postview - Mid Caps

Rating	TP	EPS 10e	EPS 11e
		↗ 6%	↘ (3%)

Price (31 August 2010)	EUR69.6
Market cap./Free float (EURm)	811.5/628.9
EV (EURm)	995.4
3m avg. volume (EURm)	1.1
Reuters/Bloomberg	RUBF.PA/RUI FP

Financial data	12/09	12/10e	12/11e	12/12e
Adjusted EPS (EUR)	4.40	4.90	5.43	6.21
EPS - IBES (EUR)	4.35	4.72	5.38	6.15
Net dividend (EUR)	2.85	3.38	3.66	4.18
Sales (EURm)	951.9	1,255	1,305	1,339
Adjusted EBIT (EURm)	77.7	93.2	105.6	119.3
Adj. net profit (EURm)	48.1	58.6	67.1	76.7
Adj. net debt / EBITDA (x)	1.6	1.4	1.2	0.9

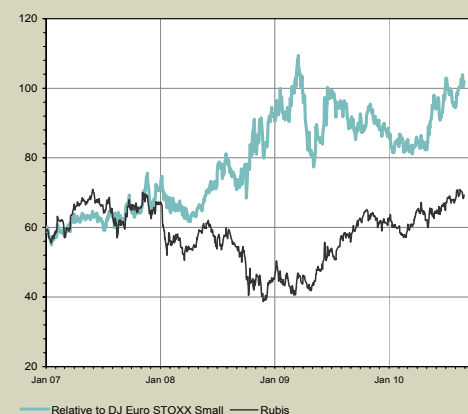
Stockmarket ratios*	12/09	12/10e	12/11e	12/12e
P/E (x)	12.0	14.2	12.8	11.2
P/BV (x)	1.2	1.5	1.4	1.4
Net yield (%)	5.4	4.9	5.3	6.0
FCF yield (%)	0.7	1.0	5.5	8.9
EV/Sales (x)	0.8	0.8	0.8	0.7
EV/EBITDA (x)	6.6	7.6	6.8	6.0
EV/EBIT (x)	9.5	10.7	9.4	8.1

* Yearly average price for FY ended 12/09

Performance* (%)	1w	1m	3m	12m
Absolute	(0)	3	14	26
Rel. Oil & Gas	0	6	19	27
Rel. DJ Euro STOXX Small	(2)	6	13	19

* In listing currency, with dividend reinvested

Price relative to DJ Euro STOXX Small



Outperform

Target price	EUR82 (+18%)
Sector rating	Outperform

Rubis' story remains intact

► Solid H1 earnings, as usual

Rubis yesterday released solid H1 earnings, with recurring EBITDA, recurring EBIT and net profit 3, 5 and 21% above our estimates, respectively. Excluding EUR5m of non-recurring operating gains (EUR9m of badwill linked to two small acquisitions and EUR4m of provisions), net profit was 3% above our forecast. Key elements of that release are: 1) continued strength at Rubis Terminal (recurring EBIT +29%), with impressive 16% growth in Q2 (after +12% in Q1) for pure storage revenues (driven by capacity extensions, new contract gains and refinery issues in Europe); and 2) the resilience of Rubis Energie (recurring EBIT -3%), with per-unit gross margin down (as expected) only 9% for the LPG segment (versus +20% last year).

► FY guidance slightly raised – Caution still in order

The company is now guiding to growth in its 2010 adjusted net profit in the high end of its guided range (+5/+10%). Given what was achieved in H1 (adjusted net profit up 13%) and better prospects for Rubis Energie in H2 (unit gross margin likely to be stable, in our view), we now forecast a 20% increase in adjusted net profit.

► External growth: still nothing, but pipeline looks full

While nothing major has been announced in the last 18 months, Rubis' management made it clear yesterday that the pipeline for potential acquisitions is now full. A considerable number of targets are currently under study, and some announcements may be made sooner rather than later. Given the company's track record, this is a significant driver of share price.

► Outperform rating

In these choppy markets, what Rubis has to offer is unique: resilience (EPS CAGR +9% in 1998-2009 with only one year of decline), EPS growth acceleration (+12%e EPS CAGR over the next 3 years) and likely accretive acquisitions. Adjusted EPS have been tweaked following the H1 results and an increased number of shares (linked to a partial utilisation of the available equity line and payment of the dividends into shares).

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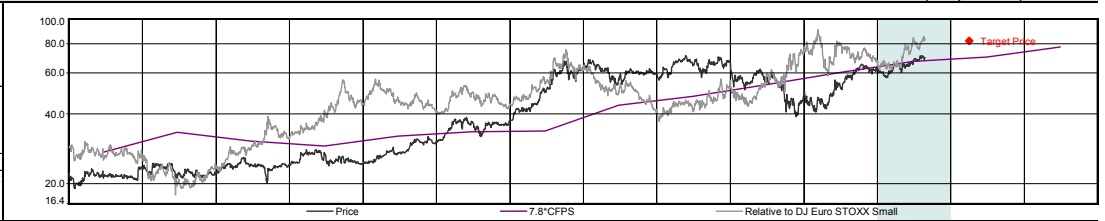
Price at 31 Aug. 10 / Target Price
EUR69.6 / EUR82 +18%

Reuters / Bloomberg: RUBF.PA / RUI FP

Analyst: Charles-Henri De-Mortemart (+33) 1 42 99 52 18

RUBIS (Outperform)
 Oil & Gas (Outperform) - France

Company Highlights			
Enterprise value	995		
Market capitalisation	812		
Free float	629		
3m average volume	1		
Performance (*)			
	1m	3m	12m
Absolute	3%	14%	26%
Rel. Sector	6%	19%	27%
Rel. DJ Euro STOXX	6%	13%	19%
12m Hi/Lo (EUR) : 70.9 -2% / 55.8 +25%			
CAGR			
	1999/2010	2010/2012	
EPS restated (**)	9%	12%	
CFPS	9%	7%	



Price (yearly avg from Dec. 99 to Dec. 09)	21.4	22.6	23.6	25.5	27.6	34.9	50.8	60.4	64.3	53.3	69.6	69.6	69.6
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PER SHARE DATA (EUR)	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e	Dec. 11e	Dec. 12e
No of shares year end, basic, (m)	5,151	5,194	5,422	6,027	6,587	6,847	8,425	8,718	9,935	10,296	10,822	11,680	11,660	11,660
Average no of shares, diluted, excl. treasury stocks (m)	5,250	5,292	5,520	6,126	6,686	7,006	7,304	8,817	9,772	10,511	11,123	11,946	12,365	12,365
EPS reported	1.93	3.71	2.28	2.22	2.37	2.31	2.78	3.62	4.31	4.30	4.59	5.74	5.76	6.58
EPS restated	1.93	3.71	2.24	2.16	2.26	2.15	2.58	3.50	3.60	4.15	4.40	4.90	5.43	6.21
% change	18.7%	91.9%	(39.7%)	(3.5%)	4.5%	(4.8%)	20.3%	35.9%	2.9%	15.3%	6.0%	11.4%	10.7%	14.3%
CFPS	3.48	4.24	3.88	3.70	4.07	4.25	4.30	5.54	6.04	6.79	7.66	8.56	8.93	9.86
Book value (BVPS) (a)	33.7	35.1	35.4	36.0	34.7	33.5	36.3	38.0	41.9	43.1	45.4	46.5	48.7	51.5
Net dividend	1.15	1.24	1.30	1.37	1.42	1.50	1.90	2.14	2.45	2.65	2.85	3.38	3.66	4.18

STOCKMARKET RATIOS	YEARLY AVERAGE PRICES for end Dec. 99 to Dec. 09													
P / E (P/ EPS restated)	11.1x	6.1x	10.6x	11.8x	12.2x	16.3x	19.7x	17.3x	12.9x	12.0x	14.2x	12.8x	12.8x	11.2x
P / E relative to DJ Euro STOXX Small		39%	85%	65%	69%	80%	101%	106%	108%	149%	157%	133%		
P / CF	6.1x	5.3x	6.1x	6.9x	6.8x	8.2x	11.8x	10.9x	10.6x	7.9x	6.9x	8.1x	7.8x	7.1x
FCF yield	(2.4%)	(7.0%)	13.4%	(0.8%)	9.5%	6.1%	5.8%	2.0%	(2.1%)	(8.8%)	0.7%	1.0%	5.5%	8.9%
P / BVPS	0.63x	0.64x	0.67x	0.71x	0.79x	1.04x	1.40x	1.59x	1.53x	1.24x	1.17x	1.50x	1.43x	1.35x
Net yield	5.4%	5.5%	5.5%	5.4%	5.1%	4.3%	3.7%	3.5%	3.8%	5.0%	5.4%	4.9%	5.3%	6.0%
Payout	59.5%	33.5%	58.1%	63.5%	63.0%	69.9%	73.6%	61.2%	68.1%	63.9%	64.8%	69.1%	67.3%	67.3%
EV / Sales	0.85x	0.54x	0.66x	0.70x	0.72x	0.77x	1.05x	0.82x	0.81x	0.60x	0.78x	0.79x	0.76x	0.73x
EV / Restated EBITDA	4.3x	5.4x	5.7x	6.1x	5.7x	4.4x	8.0x	9.5x	8.7x	7.3x	6.6x	7.6x	6.8x	6.0x
EV / Restated EBIT	6.5x	8.8x	8.7x	10.0x	10.1x	6.3x	10.8x	13.6x	12.9x	9.8x	9.5x	10.7x	9.4x	8.1x
EV / OpFCF	30.8x	NC	6.8x	25.1x	9.2x	6.5x	10.0x	23.3x	71.5x	NC	25.2x	25.7x	12.8x	8.7x
EV / Capital employed (incl. gross goodwill)	0.6x	0.7x	0.8x	0.8x	0.8x	1.0x	1.2x	1.4x	1.3x	1.1x	1.1x	1.3x	1.3x	1.2x

ENTERPRISE VALUE (EURm)	152	201	248	273	285	196	368	699	693	710	739	985	986	972
Market cap	110	117	127	152	178	234	388	518	599	539	560	812	812	812
+ Adjusted net debt	27	79	108	93	76	49	96	82	93	175	181	183	179	149
+ Other liabilities and commitments	0	0	0	0	0	2	5	6	9	10	12	13	14	15
+ Revalued minority interests	48	32	49	50	51	52	14	13	14	14	17	18	22	26
- Revalued investments	33	27	36	22	21	141	136	20	23	29	30	30	30	30

P & L HIGHLIGHTS (EURm)	Switch to IFRS data from FY ended 12/04													
Sales	234.9	374.8	376.2	389.6	396.8	255.5	350.2	728.5	851.9	1,192.3	951.9	1,255.5	1,304.8	1,339.0
Restated EBITDA (b)	35.1	37.1	43.5	45.1	49.6	44.6	46.1	62.9	79.5	97.3	111.4	131.1	146.4	162.2
Depreciation	(11.9)	(14.3)	(15.0)	(17.7)	(21.4)	(13.5)	(12.0)	(18.7)	(25.8)	(24.9)	(33.7)	(37.8)	(40.8)	(42.8)
Restated EBIT (b) (**)	23.2	22.8	28.5	27.4	28.2	31.1	34.0	44.2	53.7	72.5	77.7	93.2	105.6	119.3
Reported operating profit (loss)	23.2	22.8	28.5	27.4	28.2	31.6	34.5	44.2	57.3	72.1	76.5	98.2	105.6	119.3
Net financial income (charges)	0.3	(2.8)	(6.1)	(5.1)	(5.1)	(3.8)	(2.1)	(3.7)	(6.5)	(8.6)	(6.9)	(6.9)	(7.0)	(6.6)
Affiliates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0
Other	(0.1)	9.2	(0.7)	1.3	0.0	2.4	1.7	3.2	0.0	0.0	0.0	0.0	0.0	0.0
Tax	(9.0)	(5.2)	(6.9)	(7.5)	(4.6)	(10.8)	(11.3)	(11.5)	(11.0)	(18.5)	(19.7)	(25.6)	(27.6)	(31.6)
Minorities	(4.5)	(4.6)	(2.6)	(3.1)	(3.5)	(4.1)	(3.8)	(1.7)	(2.2)	(2.3)	(2.7)	(3.6)	(3.9)	(4.5)
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-
Net attributable profit reported	9.9	19.3	12.1	13.0	15.0	15.2	19.0	30.5	37.5	42.7	47.2	62.2	67.1	76.7
Net attributable profit restated (c)	9.9	19.3	12.1	13.0	15.0	14.9	18.7	30.5	34.7	43.0	48.1	58.6	67.1	76.7

CASH FLOW HIGHLIGHTS (EURm)	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e	Dec. 11e	Dec. 12e
EBITDA (reported)	35.1	37.1	43.5	45.1	49.7	45.1	46.5	62.9	83.1	97.0	110.2	136.1	146.4	162.2
EBITDA adjustment (b)	0.0	0.0	0.0	0.0	(0.0)	(0.5)	(0.5)	0.0	(3.6)	0.4	1.2	(5.0)	0.0	0.0
Other items	(0.1)	(1.7)	(4.7)	(4.7)	(7.2)	6.0	5.0	3.4	5.7	1.7	2.9	8.0	3.0	3.0
Change in WCR	(9.5)	(18.5)	23.9	(8.5)	15.8	(4.2)	5.5	2.7	(12.9)	(23.8)	3.6	(1.4)	(3.1)	(2.2)
Operating cash flow	25.4	16.8	62.7	31.9	58.2	46.5	56.6	68.9	72.2	75.2	117.9	137.6	146.3	163.0
Capex	(20.5)	(19.4)	(26.1)	(21.0)	(27.4)	(16.3)	(19.9)	(43.2)	(62.5)	(99.3)	(88.6)	(99.0)	(68.2)	(51.9)
Operating free cash flow (OpFCF)	4.9	(2.5)	36.6	10.9	30.8	30.1	36.7	25.8	9.7	(24.1)	29.3	38.7	78.1	111.1
Net financial items + tax paid	(8.8)	(8.0)	(13.0)	(12.6)	(9.0)	(12.8)	(13.5)	(15.0)	(22.8)	(24.6)	(25.3)	(30.5)	(32.6)	(36.2)
Free cash flow	(3.8)	(10.5)	23.6	(1.7)	21.8	17.3	23.2	10.8	(18.1)	(48.6)	4.0	8.2	45.5	74.9
Net financial investments & acquisitions	(41.2)	(16.0)	(10.4)	3.4	(0.2)	(9.3)	(118.3)	10.2	(42.2)	(22.5)	(4.3)	0.0	0.0	0.0
Other	26.0	(18.6)	(37.6)	1.2	(0.0)	24.7	(8.0)	(0.1)	(1.8)	(0.4)	1.5	0.0	0.0	0.0
Capital increase (decrease)	0.0	2.5	3.4	22.4	6.5	8.5	69.5	13.0	66.0	18.4	22.0	15.0	0.0	0.0
Dividends paid	(9.5)	(9.1)	(8.5)	(10.4)	(10.9)	(13.7)	(13.9)	(19.7)	(20.5)	(28.3)	(29.4)	(25.3)	(41.6)	(44.8)
Increase (decrease) in net financial debt	28.5	51.8	29.4	(14.9)	(17.3)	(27.6)	47.6	(14.2)	11.6	81.4	6.2	2.1	(3.9)	(30.2)
Cash flow, group share	18	22	21	22	27	30	31	48	59	71	84	102	110	122

BALANCE SHEET HIGHLIGHTS (EURm)	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e	Dec. 11e	Dec. 12e
Fixed operating assets, incl. gross goodwill	301	322	355	370	379	302	392	459	571	661	716	778	805	814
WCR	(51)	(26)	(28)	(22)	(32)	(103)	(68)	(29)	(34)	(26)	(28)	(27)	(24)	(21)
Capital employed, incl. gross goodwill	250	295	327	348	348	198	304	430	537	635	688	751	781	793
Shareholders' funds, group share	173	182	192	217	229	229	306	331	416	444	491	543	568	600
Minorities	76	50	49	50	51	52	14	13	14	14	14	18	22	26
Provisions/ Other liabilities	6	10	13	8	10	10	23	24	36	31	32	37	42	47
Net financial debt (cash)	27	79	108	93	76	49	96	82	93	175	181	183	179	149

FINANCIAL RATIOS (%)	Dec. 99	Dec. 00	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09	Dec. 10e	Dec. 11e	Dec. 12e
Sales (% change)	27.3%	59.5%	0.4%	3.6%	1.8%	(35.6%)	37.1%	108.0%	16.9%	40.0%	(20.2%)	31.9%	3.9%	2.6%
Organic sales growth	8.2%	22.0%	0.3%	3.6%	1.8%	4.2%	25.2%	7.2%	2.1%	30.1%	30.1%	28.3%	3.9%	2.6%
Restated EBIT (% change) (**)	19.1%	(2.0%)	25.1%	(3.6%)	2.8%	10.2%	9.4%	29.8%	21.5%	35.0%	7.3%	20.0%	13.3%	13.0%
Restated attributable net profit (% change) (**)	18.6%	93.8%	(37.0%)	7.2%	14.8%	(0.3%)	25.8%	62.7%	13.8%	23.9%	11.9%	21.8%	14.6%	14.3%
Personnel costs / Sales	7.7%	5.6%	5.9%	6.9%	7.1%	9.6%	7.3%	5.2%	5.8%	5.2%	7.5%	6.0%	6.1%	6.1%
Restated EBITDA margin	14.9%	9.9%	11.6%	11.6%	12.5%	17.5%	13.2%	8.6%	9.3%	8.2%	11.7%	10.4%	11.2%	12.1%
Restated EBIT margin	9.9%	6.1%	7.6%	7.0%	7.1%	12								

Figure 1: Rubis' H1 2010 earnings

EURm	Q1 09	Q1 10	Yoy (%)	Q2 09	Q2 10	Yoy (%)	Q2 10e	H1 09	H1 10	Yoy (%)	H1 10e	Reported vs. Est. (%)
Rubis Terminal	48	72	49	41	57	40	46	89	129	45	117	
<i>o.w. pure storage</i>	21	23	13	21	25	16	23	42	48	14	46	
<i>o.w. trading</i>	28	49	76	19	32	66	22	47	81	72	71	
Rubis Energie	197	276	40	171	278	63	259	368	554	51	535	
<i>o.w. Europe</i>	101	153	52	70	148	110	116	171	301	76	269	
<i>o.w. Caribbean</i>	83	105	25	88	113	29	123	171	217	27	227	
<i>o.w. Africa</i>	13	18	39	13	18	36	20	26	36	38	38	
Group sales	245	348	42	212	335	58	304	457	683	49	652	5
Rubis Terminal								24	31	28	28	
Rubis Energie Holding								42	42	0	42	
Group recurring EBITDA								62	68	10	66	3
<i>Margin (%)</i>								13.5	9.9	(360)	10.1	
Rubis Terminal								19	24	29	21	
Rubis Energie Holding								30	29	(3)	29	
Group recurring OP								45	49	8	47	5
<i>Margin (%)</i>								9.9	7.2	(270)	7.1	
Other operating charges								(1)	5		0	
Operating profit								44	54	23	47	16
Net financial expense								(4)	(4)		(4)	
Income tax								(12)	(14)		(12)	
Minorities								(1)	(2)		(1)	
Attributable net profit								27	35	30	29	21

Source: Exane BNP Paribas estimates

Figure 2: Rubis' adjusted estimates

EURm	Old			Revised			% change		
	2010e	2011e	2012e	2010e	2011e	2012e	2010e	2011e	2012e
Revenues	1,243	1,292	1,326	1,255	1,305	1,339	1.0	1.0	1.0
Rubis Terminal	233	244	255	245	256	267	5.2	5.1	5.0
<i>o/w pure storage</i>	95	106	117	97	108	119	2.3	2.3	2.3
<i>o/w trading</i>	138	138	138	148	148	148	7.2	7.2	7.2
Rubis Energie	1,010	1,049	1,072	1,010	1,049	1,072	0.0	0.0	0.0
Recurring EBIT	87	104	118	88	106	119	1.6	1.2	1.2
Rubis Terminal	42	50	59	45	52	62	5.6	5.1	4.8
Rubis Energie	50	60	64	50	59	63	(0.9)	(1.3)	(1.4)
Holding & Eliminations	(5)	(5)	(5)	(6)	(6)	(6)	9.2	9.2	9.2
Recurring EBIT margin (%)	7.0	8.1	8.9	7.0	8.1	8.9			
Rubis Terminal (%)	18.1	20.4	23.3	18.1	20.4	23.2			
<i>excluding trading (%)</i>	44.3	47.0	50.8	45.7	48.3	52.1			
Rubis Energie (%)	5.0	5.7	6.0	4.9	5.7	5.9			
Attributable Net profit	53	65	74	62	67	77	16.9	3.7	3.3
Adjusted Net profit	53	65	74	59	67	77	10.1	3.7	3.3
No. of fully diluted shares (average) (m)	11.5	11.5	11.5	11.9	12.4	12.4	3.6	7.2	7.2
Adjusted EPS (EUR)	4.61	5.61	6.44	4.90	5.43	6.21	6.3	(3.3)	(3.7)

Source: Exane BNP Paribas estimates

Funding Analysis

Rubis

Gross cash position at 31 Dec. 09	99				
EURm	Dec. 10	Dec. 11	Dec. 12	Dec. 13	Dec. 14
FCF	8	46	75	84	93
Gross debt reimbursements	(96)	(34)	(34)	(34)	(84)
New funds (debt, capital, divestment)					
Other cash outflows (acquisitions etc)					
Dividend base case	(25)	(42)	(45)	(51)	(54)
Share buybacks	0	0	0	0	0
SURPLUS/(SHORTFALL)					
Annual	(14)	(30)	(3)	(0)	(44)
Cumulative	(14)	(44)	(47)	(47)	(91)
Annual if div is 0 from Dec. 10	na	12	41	51	10
Cumulative if div is 0 from Dec. 10	na	(2)	39	90	100
Available credit lines ¹					

Covenant(s):	Gearing < 100%				
	Net debt / EBITDA < 3.5x				
Gearing ²	33%	30%	24%	17%	11%
Net Debt / EBITDA ²	1.4x	1.2x	0.9x	0.7x	0.4x

¹ Credit Lines Comment

² Ratio based on our estimates

► Rubis's leverage remains reasonable (gearing at 36% at end-2009, net debt/EBITDA expected at 1.7x at end-2010) given the resilience of its two divisions (basic needs, long-term contracts). The company has a credit facility still available for an average maturity of 5 years (EUR200m at 60bp above Euribor). (Comment updated on 17 Aug. 10)

Source: Exane BNP Paribas estimates

Forthcoming events

Date	Event
10 Nov. 2010	Q3 2010 Sales
10 Feb. 2011	Q4 2010 Sales

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Exane

Investment banking	Distributor	Liquidity provider	Corporate links	Analyst's personal interest	Equity stake		Amended after Disclosure to company	Additional material conflicts
					US Law	French Law		
NO	NO	YES	NO	NO	NO	NO	NO	NO

Source: Exane

BNP Paribas

As of 30/07/2010 BNPP owns 1.41% of RUBIS

Source: BNP Paribas

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