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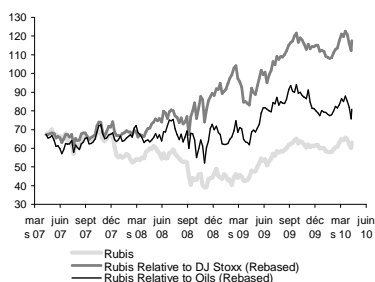
With the assistance of
Marion Rory

Rubis

Oilfield equipment and services France

Quarterly sales

Recommendation Add (2)
Price (10/05/2010) 63.00 EUR
Target price 65.00 EUR



Reuter: RUI.PA
Bloomberg: RUI FP
12-month high: 67.19
12-month low: 44.49

Multiples

	12/08	12/09	12/10e	12/11e
P/E	12.9	12.1	13.7	12.3
Net. yield (%)	5.0%	5.4%	4.9%	5.5%
FCF yield (%)	-7.0%	2.0%	-2.4%	5.0%
P/Book value	1.2	1.2	1.3	1.3
EV/Sales	0.6	0.8	0.9	0.9
EV/EBITDA	7.9	7.0	7.9	7.3
EV/EBIT(recur)	10.6	10.3	11.7	10.7

Per share data

EUR	12/08	12/09	12/10e	12/11e
EPS (AANP)	4.15	4.36	4.59	5.13
%Change	9.8%	5.3%	5.1%	11.8%
EPS (ANP)	4.15	4.36	4.59	5.13
%Change	9.8%	5.2%	5.1%	11.8%
Dividend	2.65	2.85	3.07	3.44
Book value	43.03	45.37	47.03	49.09

Income statement

(EUR m)	12/08	12/09	12/10e	12/11e
Sales	1 192	951.9	1 038	1 072
%Change	40.0%	-20.2%	9.1%	3.2%
Op.profit(recur.)	72.5	77.7	82.1	90.2
%Change	35.0%	7.3%	5.7%	9.8%
Op.profit(EBIT)	72.1	76.5	82.1	90.2
Attr. net profit	42.7	47.2	49.6	55.5
Adj. attr. NP	42.7	47.2	49.6	55.5

Financial data

	12/08	12/09	12/10e	12/11e
ROCE bef. Tax	11.8%	11.1%	10.9%	11.3%
ROCE after Tax	8.3%	7.9%	7.8%	8.1%
ROE	9.9%	10.1%	9.9%	10.7%
FCF	-39.3	11.7	-17.0	35.0
Net debt	175	181	230	228
Gearing	38.2%	35.8%	43.7%	41.4%
Net Debt/EBITDA	1.8	1.6	1.9	1.7
EBITDA/interest	11.4	16.5	12.1	13.1

Performance

	1 mo	3 mos	12 mos
Absolute perf.	-1.8%	8.1%	41.1%
Perf./country	0.92	0.91	2.15
Perf./DJ sector	1.08	1.11	1.22

Liquidity

Market Cap.	682
EV	960
No. of shares (m)	10.8
Free Float	76.0%
Hallsol	6.0%
Orfim	5.9%
Groupe Industriel Marcel Dassault	5.4%

Q1 2010 sales exceeded expectations – Add (2) recommendation maintained

Q1 2010 sales excluding the trading activity (+37% to € 299m vs. €244m forecast) reflect the sharp surge in propane prices (+60% in dollar terms), significant volume growth at Rubis Energie (+15%) and sustained organic growth at Rubis Terminal (+12%). Limited contraction in unit margins at the Energy division (-10%) despite the rise in supply costs. Recommendation, target price and net profit forecasts maintain pending this morning's conference call (8.30 a.m.).

Robust volume growth at the start of this year

Yesterday evening, Rubis reported particularly robust Q1 sales growth (+42%), although this sales data is not particularly meaningful as it is indexed to propane prices and the marked volatility of revenues at the Trading division at Rubis Terminal is significant (which generates very low margins). Stripping out the Trading division, sales rose by 37% to € 299m (vs. € 244m forecast), reflecting the rise in propane prices (+60% in dollar terms) but particularly performances which strongly exceeded our expectations in terms of:

- Volumes distributed by Rubis Energie which rose by an impressive +15% (vs. +8% forecast) attributable, admittedly, to a relatively favourable base effect (strikes and demonstrations in the Caribbean and political difficulties in Africa) but also to i/ the buoyancy of the LPG-c segment in France and Germany (market share for LPG-c France: 17%) and ii/ a favourable climate index in France (+2.6%) underpinning consumption of LPG for heating purposes.
- Organic growth for the Terminal division (excl. Trading) which totalled +12% (vs. +6% forecast) thanks i/ to a more substantial contribution from Rotterdam (new contracts in H2 2009) and ii/ to storage revenues buoyed in France by growth in oil product import flows (following the halting of several refining facilities in the country).

Q1 SALES BREAKDOWN

€ m	Reported	Ododo Midcap estimates	Previous period	Rep./prev. period
Q1 sales	347,6	269,2	245,6	+42%
Energy	275,8	222,4	197,3	+40%
Rubis Terminal:	71,8	46,8	48,3	+49%
- Storage	23,2	21,8	20,6	+12%
- Trading	48,7	25,0	27,7	+76% - nm

SOURCE: RUBIS – ODDO MIDCAP ESTIMATES

We maintain our 2010/2011 net profit estimates

To factor in trends in propane prices coupled with the fall in the €/€ parity (and confident in Rubis' capacity to pass on the lion's share of the increase in supply costs to its clients) and to better reflect trends at the Trading division (at the start of this year), we shall shortly be proceeding with a marked upward revision to our 2010/2011 sales forecasts (following the conference call scheduled for 8.30 a.m. this morning).

We anticipate no impact on our net profit estimates in light of the 10% contraction in unit margins at the Energy division observed in Q1 (a contraction which is reasonable given the sharp rise in supply costs).

We reiterate our Add (2) recommendation

Following this publication, which combines an increase in final distribution volumes in the Energy segment, robust organic growth in Storage and the rise in propane prices, we remain convinced of the quality of the group's fundamentals: satisfactory pricing power, resilience to cycles, niche strategy combined with competitive positions in the Energy segment and recurring revenues and a position as leader in the Storage segment in France. We reiterate our Add (2) recommendation and our TP before this morning's conference call.

Next event: Q2 2009 sales on Tuesday 10 August (after the market close)

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