Q1 2025 Trading Update

Monday, 5th May 2025

Disclaimer

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Operator: Welcome to the Rubis Q1 2025 Trading Update Conference Call. My name is Alan, and I'll be your coordinator for today's event. Please note this call is being recorded and for the duration, your lines will be on listen-only. However, you will have the opportunity to ask questions at the end. This can be done by pressing star one on your telephone keypad. If you require assistance at any time, please press star zero, and you'll be connected to an operator.

I'll now hand you over to your host, Marc Jacquot, CFO, to begin today's conference. Thank you.

Marc Jacquot: Good evening, ladies and gentlemen. Thank you for joining us today for Rubis Q1 2025 Trading Update. Very glad to have the call with Clémence Mignot-Dupeyrot, our Head of Investor Relations.

I'm now on slide two.

So, this quarter was another one of good operating performance. The Energy Distribution business saw strong growth, both on volume and margins. In all geographies, volumes were up 4% with overall unit margins stable.

So, three important elements to highlight this quarter regarding volume and margin. Europe, Kenya and Bitumen.

First, Europe: Europe LPG was quite resilient again with good sales and gain of market share in France.

Second, Kenya: Kenya retail is catching up, both in volume and margin. Important to note that the first step toward full adjustment of the pricing formula happened in March 2025. It does not amount yet to the level we had in Q4, but we remain positive about the fact that this sign will lead to a situation which will be satisfactory.

Third, Bitumen: Bitumen volume was up 35% year-on-year. This increase is explained by Nigeria, where demand was strong this quarter compared to a low Q1 2024 in classic turmoil context. Two, South Africa showed strong dynamics with volume and margin increasing. Cameroon, Senegal and Nigeria are also on an upward trend. Gross margin decreased by 6% year-on-year, for [inaudible 03.02] on a comparable base in 2024 for Nigeria, where the FX rate stood at a much higher level.

In Renewable Electricity Production, our development is lying in line with plan, with an increase of the sector portfolio of 5% versus December 2024 and 22% over a year, which is encouraging for the rest of the year. We commissioned the first tranche of the Creil project, representing 11 megawatts (MW) in Q1.

One other important fact to underline is that none of our businesses is directly concerned by the trade tariff war ongoing. We are not present in the US nor in China, and we do not depend on US-based or China-based suppliers in the Energy Distribution business. I remind you, as well, that a low oil price environment is usually favourable for distribution activities.

All those elements make us confident about 2025, and we reaffirm our guidance.

And I will hand the floor to Clémence to go into further detail on the activities.

Clémence Mignot-Dupeyrot: Thanks, Marc. And good evening, ladies and gentlemen. You are now familiar with this slide, number three, with the state of our different Energy Distribution businesses.

If you want to start with Retail & Marketing, you can see that volume increased by 4% and gross margin, as well. The different underlying items of this performance are, number one, in our LPG distribution businesses, which is up 1% in volume and stable in gross margin. Activity was overall balanced and very strong in the bulk segment, especially in France, with several commercial wins with B2B customers.

Spain was also very dynamic. Also, Autogas continued to grow in Europe, especially in France and Portugal. On the other hand, Morocco faced supply issues over the quarter, as difficult weather conditions kept the vessels from unloading their product. These vessels are not Rubis vessels.

Fuel, number two driver. Fuel is up 2% in volume and 10% in gross margin. The retail business continued to be very dynamic and with ongoing strong performance in Jamaica and Barbados. Marc already mentioned Kenya, and I would like to mention Madagascar, where retail performance was very strong, both on volume and margins. Service stations there are improving their standards. We have gained important fuel card customers, taxis, for example, and we have benefited from the decrease in oil price.

In the C&I segment, volume is up 2%, underpinned mainly by Guyana and Suriname in the Caribbean and Zambia and Kenya in Africa.

The aviation segment now saw volume decreasing by 2%, but margins increasing by 6%. The key reason behind is that in Kenya, where the local management has decided to stop bidding on some airline tenders because they were not profitable enough. The Eastern Caribbean region performed particularly well in Trinidad and Antigua, where demand was really important and we benefited from decreasing oil prices.

The bitumen business was strongly up 35% and margins down 6%. Marc already mentioned the reasons behind.

In the Support & Services business, revenue was up 2% to €266 million. Q1 '25 saw 1 crude delivery to our SARA refinery, which was not the case in Q1 '24, when SARA was in temporary maintenance and imported only refined products. Apart from this, margin is down 4%, reflecting lower bitumen trading activity as a result of higher in-house bitumen deliveries and shorter but more numerous routes for the trading activities.

Let's now turn to the next slide, which focusses on Photosol.

Not much to say about Photosol this quarter, apart from the fact that the secure portfolio reached 1.1 gigawatts (GW), up 5% versus the end of last year, and 22% versus the end of Q1 '24. Revenue was up 28%, reaching €11 million, which is higher in percentage than the evolution of assets in operation. And two reasons explain this effect:First, the increase in the assets in operation, which were 450 MW last year versus 535 MW this year, and the higher load factor this year with better weather conditions.

I will now hand back to Marc, who will conclude this presentation.

Marc Jacquot: As a conclusion, Q1 was consistent with the outlook we provided during full-year results and illustrated, once again, the relevance of our multi-country and multi-product strategy.

In operations, in Europe, we still expect moderate growth in LPG and the continued acceleration of Photosol's development with rising development costs in 2025. In Africa, we will start seeing the progressive recovery we were anticipating in unit margins for the service station network in Kenya.

As was mentioned before, the pricing formula adjustments in Kenya have started, but it's not yet at the level we were asking for. We are optimistic about it reaching full stage in the coming months. Bitumen volumes continue to develop.

Angola is now consolidated through our integration following the acquisition of a 60% stake in Soida, which is an Angola company, leading to a 95% ownership.

In the Caribbean, activity remains at a high level, as we anticipated.

At Group level, we monitor exchange rates closely in these volatile environments. Notice, we did not face any significant asset losses in Q1. EBITDA will be between €710-760 million.

Thank you for your attention, and we are now ready to answer your questions.

Questions and Answers

Operator: Thank you. If you would like to ask a question or make a contribution on today's call, please press star one on your telephone keypad. To withdraw your question, please press star two. You will be advised when to ask your question.

We will take our first question from Jean-Luc Romain, CIC Market Solutions. Your line is open. Please go ahead.

Jean-Luc Romain (CIC Market Solutions): Good afternoon. I have two questions. The first one is about volumes and margins in the Caribbean. Is there an explanation of a slight decline in margin there?

The second question regards actually an acquisition which was acquired today. Parkland is, I think, one of your competitors in some countries. It has been acquired by Sunoco. What do the multiples of the transaction inspire you?

Marc Jacquot: Thank you, Jean-Luc, for this question. On Parkland and Sunoco, this is a bit early because the information is quite recent. It seems the multiple of acquisition is above 5x EBITDA, which is the kind of multiples we look at when we want to buy a new business. This kind of multiples makes sense for us when we are on the buy side, I would say.

Clémence Mignot-Dupeyrot: Now, I am going to take your question regarding the margins in the Caribbean. So, overall, margins in the Caribbean grew by 7% and volume by 2%, switching from a gross margin of €80 million last year Q1 to €85 million this year. The main drivers in the Caribbean remain Guyana and Suriname, and Jamaica is also a very strong performer.

I am not sure you have something specific in mind with the Caribbean?

Jean-Luc Romain: Okay, thank you.

Clémence Mignot-Dupeyrot: Thank you, Jean-Luc.

I will now read one question, which is on the line regarding the unit margin in bitumen. So, what happened, it's a bit technical, but what happened in 2024 was that over Q1, there was a strong devaluation of the Nigerian naira, which explains most of the losses we incurred, the FX losses were incurred in 2024. Part of these losses were reflected inside the margin invoice to customers, which made it look like the unit margin was higher in bitumen, but it included a part of the FX devaluation.

In 2025, the Nigerian naira was overall very stable over Q1, which explains the level of the margin in Q1 2025, which is much more normalised and does not include the FX component.

The other question from Mohamed was about the guidance.

Marc Jacquot: The question was: Why didn't you revise your guidance considering your good results of Q1? Actually, the results of Q1 are good and in line with our forecast. We still have three quarters to go, so it's too early, and we don't want to reduce the range for the moment.

Clémence Mignot-Dupeyrot: We have another question regarding the Spanish blackout from Thomas Cotter, and whether or not it has an impact on Photosol's portfolio decisions.

Marc Jacquot: I remind you that Photosol is a very long-term business..Projects are developed over seven-years. We don't know the exact cause, of the blackout in Spain. Some events like the one we saw in Spain, actually, will not change our strategy regarding these assets.

Operator: We will take our next question from Mourad Lahmidi, BNP Paribas. Your line is open. Please go ahead.

Mourad Lahmidi (BNP Paribas): Yes, thank you and good evening. I'm just wondering whether we should expect in the second quarter some windfall effect, I mean positive effect from the windfall margin from the lower oil prices on your distribution business that we've seen in April.

Marc Jacquot: In general, the lower oil prices can be positive for the Group. The counterpart here is a weak US dollar can also be negative for the Group marginally, considering that part of our margin is in US dollars. I would say those two effects should balance at this stage, but it's too early to say. But I would say, I would reiterate the fact that also having lower oil price is better for the consumption and is eventually better for the pricing formula adjustment because the states could be more inclined to adjust the price formula when the price of the product is lower.

Mourad Lahmidi: Thank you.

Operator: Ladies and gentlemen, you can press star one to ask for questions now. We will pause for a moment to allow everyone an opportunity to signal for questions.

Marc Jacquot: I think there are no more questions. We thank you for your time and are available for you to answer any follow-up questions you may have. Have a good evening.

Clémence Mignot-Dupeyrot: Thank you.

Operator: Thank you for joining today's call. You may now disconnect.

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