

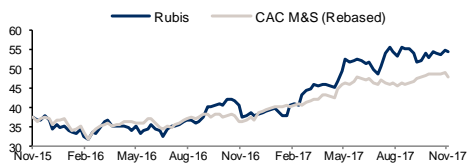
RUBIS - BUY

Favourite stock - Midcaps

€ 54.14 at 09/11/17

Target : € 65.9 (21.7%)

L/H 12M	€ 36.50/56.26
Vol. 3M	161501 shares/day
Shares Outst.	93 542 892
Mkt Cap.	m€5064
Free Float	m€ 4355
Market	Euronext A
Sector	Chemicals / Oil
Bloomberg	RUI FP
Isin	FR0000121253
Index	CAC MID 60



Shareholder structure	Capital
Free float	86.0%
Groupe Marcel Dassault	5.2%
Orfim	5.1%
FCP Rubis + Directors	3.6%
Treasury Stock	0.0%

Chge Adjusted EPS (€)	12/17e	12/18e
New	-	-
Old	-	-
Chge	-	-

Ratios	12/16	12/17e	12/18e	12/19e
PE	11.8	20.7	17.8	16.6
PEG	0.9	ns	1.1	2.3
P/CF	7.5	12.3	11.2	10.6
EV/Sales	1.8	1.6	1.4	1.2
EV/Cur.Oper.Inc.	17.7	15.9	13.4	12.1
EV/EBIT	17.6	15.3	13.4	12.1
P/BVPS	1.3	2.4	2.2	2.0
Yield	5.0%	5.2%	5.7%	6.1%

Per Share data	12/16	12/17e	12/18e	12/19e
Adjusted EPS (€)	4.61	2.61	3.05	3.27
Chge	13.3%	-43.3%	16.7%	7.3%
CFPS (€)	7.22	4.41	4.84	5.12
FCFPS (€)	3.12	1.86	2.54	2.81
BVPS (€)	41.13	22.24	24.87	27.70
Dividend (€)	2.68	2.84	3.07	3.31

Results	12/16	12/17e	12/18e	12/19e
Sales (m€)	3003.9	3651.7	4060.8	4215.4
Var.	3.1%	21.6%	11.2%	3.8%
Cur.Op.Inc./Sales (%)	10.0	9.8	10.1	10.3
EBIT/Sales (%)	10.0	10.1	10.1	10.3
EBIT (m€)	301.2	370.5	409.8	433.4
Net att. Profit (m€)	208.0	258.2	285.1	306.0
Var.	22.4%	24.1%	10.4%	7.3%
Net Margin (%)	7.6	7.1	7.4	7.7

Financ. struct.	12/16	12/17e	12/18e	12/19e
ROCE (%)	8.9	8.5	9.2	9.6
ROE (%)	11.4	11.7	12.1	11.6
CF (m€)	326.0	412.8	453.0	478.8
FCF (m€)	141.0	174.1	237.4	262.4
Net Debt (m€)	227.7	621.0	422.1	201.0
Equity + Min. (m€)	1986.4	2225.3	2488.2	2769.2
Gearing (%)	11.5	27.9	17.0	7.3

9/02/2018 : Annual Sales

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9 months sales + conf. call / Growth in volumes and confirmed resilience of margins in Q3

A top Q3 performance

Rubis has reported Q3 sales of €1,008M, up 36%, globally in line with our forecast (€996M, +34%). The overall business volume is up 28%, largely supported by acquisitions, but also robust organic growth in all activities. On a comparable basis, volumes increased by +5%, globally exceeding our forecasts (+1.3% for Rubis Energie, +5% for Rubis Terminal).

(€m)	Q3 16	Q3 17	Chg.	9m 16	9m 17e	Chg.	GD forecast
Rubis Energie	531	680	28%	1,574	1,950	24%	2,018
Rubis Support and Service	146	253	73%	414	627	51%	549
Rubis Terminal	65	74	15%	207	246	18%	243
Carrying costs	34	44	30%	97	130	34%	127
Retail	31	30	-1%	110	116	5%	116
Sales	742	1,008	36%	2,195	2,823	29%	2,810

We note the following in particular for this Q3:

- The resilience in distribution volumes of LPG and petroleum products, up 32%, of which +3% lfl (vs. +1.5%e) across all geographic regions, benefiting from a somewhat favourable basis for climate comparison in Europe, and gains in market share. In the Caribbean, volumes climbed 39% of which +3% lfl, driven by high demand in the aviation segment (>10%). Moreover, this trend, which is in keeping with H1 (+2% lfl), confirms the limited impact of the recent hurricanes;
- The strong resilience of fuel distribution's unit margins, up by between +2 and +3% in Q3 (vs. +2% in H1), despite a sharp increase in list prices for petroleum products, in particular propane (+44% in € in Q3, +14% sequentially). The deterioration in unit margins in France was limited significantly in Q3 thanks to the group's solid pricing power;
- A turnaround - considered moderate - of +16% in bitumen volumes in Q3, after +36% in H1, which mainly reflects the effects of the rainy season, whereas momentum remains positive for Q4, driven by a recovery in oil prices;
- Continued strong growth in the Support and Services division's trading activity (+60% vs. +59% in H1) which should offset the less favourable trend in margins;
- A sustained increase in storage revenues (+30% of which +10% lfl vs. +5%e) both in France (+5%) and internationally (+34% in the Antwerp-Rotterdam-Amsterdam region, +28% in Turkey), in keeping with H1, benefiting from extended lease capacities and gains in market share (especially in Chemicals).

(in thousands of cubic tonnes)	Q3 16	Q3 17	Chg.	Chg. lfl	9m 16	9m 17	Chg.	Chg. lfl	GD forecast
Europe	178	184	3.4%	3.0%	603	610	1.2%	0.7%	608
Africa	210	301	43.3%	3.0%	660	797	20.8%	8.7%	783
Caribbean	402	558	38.8%	3.0%	1,220	1,466	20.2%	-2.0%	1,460
TOTAL	790	1,043	32.0%	3.0%	2,483	2,873	15.7%	1.5%	2,851

Buy rating confirmed

Our Buy rating is confirmed by this solid Q3, which combines positive dynamics in volumes, and strong resilience of margins. TP adjusted to €65.9 (vs. €64.8) of which €71.3 by DCF and €60.4 by comparables.

RUBIS

PROFIT , LOSS STATEMENT (m�)	12/15	12/16	12/17e	12/18e	12/19e	CAGR 16/19
Sales	2,913.4	3,003.9	3,651.7	4,060.8	4,215.4	12.0%
Change	4.4%	3.1%	21.6%	11.2%	3.8%	
Gross profit	829.6	974.1	1,025.2	1,151.2	1,202.0	7.3%
EBITDA	345.5	412.9	496.7	563.4	591.8	12.7%
Recurring operating income	240.0	299.7	356.5	409.8	433.4	13.1%
Other income and expense	5.3	1.5	14.0	0.0	0.0	nm
EBIT	245.4	301.2	370.5	409.8	433.4	12.9%
Net interest income	-8.5	-16.3	-13.9	-18.0	-14.0	nm
Pre-tax Profit from recurring activities	236.9	284.9	356.7	391.8	419.4	13.8%
Change	43.7%	20.3%	25.2%	7.0%	7.0%	
Tax	59.6	64.3	83.9	92.4	99.0	15.5%
Income from associates	5.0	6.8	1.7	1.9	2.1	-32.4%
Net earnings from discontinued operations	0.0	0.0	0.0	0.0	0.0	nm
Net profit	182.2	227.4	274.4	301.3	322.5	12.4%
Minorities	12.3	19.4	16.2	16.2	16.5	-5.1%
Net attributable profit	169.9	208.0	258.2	285.1	306.0	13.7%
Adjusted net attributable profit	169.9	208.0	244.2	285.1	306.0	13.7%
BALANCE SHEET (m�)	12/15	12/16	12/17e	12/18e	12/19e	
Equity + Minorities	1,657.4	1,986.4	2,225.3	2,488.2	2,769.2	
Provisions	292.9	178.3	178.3	178.3	178.3	
Long term debt	870.1	798.9	814.5	782.2	706.5	
Equity + Long term liabilities	2,915.5	3,066.6	3,321.1	3,551.6	3,756.9	
- Total Fixed assets	2,166.6	2,223.6	2,815.0	2,863.3	2,906.8	
= Working capital	749.0	843.0	506.0	688.3	850.1	
Working capital requirement	215.5	271.8	312.5	328.2	344.6	
Short term bank debt	253.0	262.5	244.2	220.0	150.2	
Cash & equivalent	786.5	833.7	437.7	580.1	655.7	
Net cash	533.4	571.2	193.5	360.1	505.5	
Net debt	336.7	227.7	621.0	422.1	201.0	
Total Assets / Liabilities and Equity	3,526.4	3,684.3	3,973.8	4,200.6	4,357.5	
CASH FLOW STATEMENT (m�)	12/15	12/16	12/17e	12/18e	12/19e	
Cash flow	261.0	326.0	412.8	453.0	478.8	
Capital expenditure	143.0	163.0	198.0	200.0	200.0	
Change in WCR	-177.0	22.0	40.8	15.6	16.4	
Free Cash Flow	295.0	141.0	174.1	237.4	262.4	
Financial invest.	432.0	26.0	530.2	0.0	0.0	
Dividends paid	26.0	41.0	35.6	38.4	41.5	
+ Capital increase	140.4	33.0	36.0	36.0	36.0	
Change in net debt	29.5	-109.0	393.3	-198.9	-221.1	
RATIOS (%)	12/15	12/16	12/17e	12/18e	12/19e	
Gross margin	28.5	32.4	28.1	28.3	28.5	
EBITDA margin	11.9	13.7	13.6	13.9	14.0	
Recurring operating income / Sales	8.2	10.0	9.8	10.1	10.3	
EBIT / Sales	8.4	10.0	10.1	10.1	10.3	
Adjusted net margin	6.3	7.6	7.1	7.4	7.7	
CAPEX / Sales	4.9	5.4	5.4	4.9	4.7	
WCR / Sales	7.4	9.0	8.6	8.1	8.2	
ROE	11.0	11.4	11.7	12.1	11.6	
ROCE	8.1	8.9	8.5	9.2	9.6	
Gearing	20.3	11.5	27.9	17.0	7.3	
Pay out	59.5	58.2	102.9	100.7	101.3	
PER SHARE DATA (�)	12/15	12/16	12/17e	12/18e	12/19e	CAGR 16/19
Net attributable profit	4.06	4.61	2.76	3.05	3.27	-10.8%
Adjusted net attributable profit	4.06	4.61	2.61	3.05	3.27	-10.8%
Cash flow	6.04	7.22	4.41	4.84	5.12	-10.8%
Free cash flow	6.83	3.12	1.86	2.54	2.81	-3.5%
Book value	37.27	41.13	22.24	24.87	27.70	11.6%
Dividend	2.42	2.68	2.84	3.07	3.31	7.3%
Number of shares (000)	43,194.20	45,158.26	93,542.89	93,542.89	93,542.89	
Number of shares fully diluted (000)	41,802.54	45,158.26	93,542.89	93,542.89	93,542.89	