Rubis SCA (RUI) Target Valuation: € 30.78

Poised for growth from European solar and African economic development

EXECUTIVE SUMMARY

Price:	**€ 26.98**
Valuation Range:	**€ 24.18 - € 36.39**

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Ticker	RUI
Primary Exchange	Euronext Paris
Industry	Energy
52-week High / Low	€ 34.28 / € 21.76
Shares Out. (mil)	104.156
Market Cap (mil)	€ 3,298
Avg Daily Volume	257,310
P/E ratio	7.89x
Book value / share	€ 26.80
Net cash / share	€ (8.19)
Debt / equity	1.30
Div (annual)	€ 1.92
Div (yield)	8.1%
Fiscal year end	Dec 31

Price Performance - 1 Year

Data: Morningstar

Rubis SCA (RUI), listed on Euronext Paris, is a French multinational energy company with a diversified portfolio spanning traditional and renewable energy sectors. Rubis's growth outlook is driven by two core initiatives: an expansion into renewable energy via its acquisition of Photosol, France's third-largest solar operator, and sustained growth in its African energy distribution business.

The acquisition of Photosol positions Rubis to benefit from Europe's legislative push toward green energy. Photosol holds a pipeline of over 4.3 GWp in solar projects, with renewable EBITDA projected to grow from €29 million in 2023 to €168 million by 2028, representing a CAGR of over 40%. Rubis's oil distribution arm, primarily active in Africa and the Caribbean, offers stable revenue and cash flow. The African business is forecasted to grow at a CAGR of 13%, with the oil segment's revenue reaching €4.4 billion by 2028, driven by Rubis's dominance in aviation fuels and regional fuel station networks.

Diluted EPS is projected to grow from €3.17 per share in 2023 to €4.79 per share in 2028. Dividend is to increase from €1.92 to €3.92 in 2028, supported by strong cash flow from renewables and emerging markets growth.

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INVESTMENT THESIS

Growth in Renewables

Rubis' expansion into renewable energy through its acquisition of Photosol positions the company to benefit from the European shift toward green energy. Photosol, France's third-largest solar operator by installed capacity, offers long-term growth potential, particularly given Europe's favorable legislative environment for solar projects. With a pipeline of over 4.3 GWp in new projects, Rubis is on track to significantly scale its solar energy production by 2030, which will diversify its revenue stream and improve its margins.

The renewable segment's contribution to overall EBITDA is forecasted to rise from €29 million in 2023 to €168 million by 2028, reflecting a CAGR of over 40% in revenue from solar energy. This robust growth is driven by rising demand for renewable energy and Rubis' expertise in mixed-use solar installations, which are supported by European government incentives.

Stable and Growing Legacy Oil Business

Rubis' oil distribution operations continue to provide a solid foundation of revenue and cash flow, particularly in Africa and the Caribbean, where the company holds leading market positions. The African market, in particular, offers strong long-term growth prospects due to rising energy demand driven by population growth, urbanization, and economic development. Over the next five years, Rubis is forecasted to grow its African revenue at a CAGR of 13% from €2.4 billion in 2023 to €4.4 billion in 2028, capitalizing on its dominance in aviation fuels and service station networks in the region.

In addition, the company's flexible business model and strategic midstream assets (such as the SARA refinery in the Caribbean) enable Rubis to navigate the volatility of the oil market effectively.

Attractive Valuation and Strong Cash Flows

Rubis’ balanced approach to financing its renewable expansion—primarily through secured debt backed by the robust cash flows of its oil distribution business—ensures that the company can pursue growth without overleveraging. Despite the capital-intensive nature of the solar business, Rubis maintains a manageable debt-to-equity ratio of 1.3x, lower than its peer average of 2.61x. The company’s free-cash-flow-to-equity is projected to grow from €84 million to €281 million (27% CAGR) through 2028, supporting both dividend expansion – which is projected to grow from €1.92 per share to €3.12 per share – and further investment in renewable projects – whose revenue is expected to increase from €33 million to €262 million.

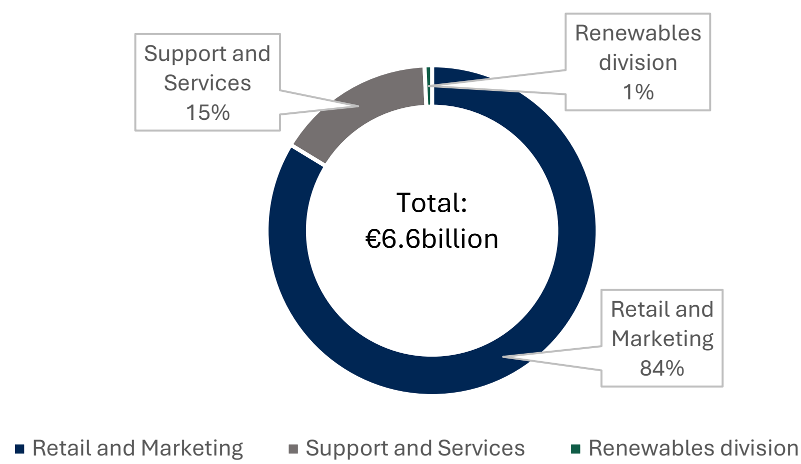
Risk Mitigation Through Diversification

Rubis’ diversified portfolio, spanning oil, solar, and midstream infrastructure across various geographies, mitigates the risk of over-reliance on any one market or energy source. The company's dual presence in fossil fuels and renewables allows it to profit regardless of the global energy transition's pace. Additionally, Rubis’ significant market share in niche areas, such as aviation fuel in East Africa and energy distribution in the Caribbean, provides a competitive moat that limits the impact of regional or product-specific downturns.

COMPANY PROFILE

Rubis is a French multinational energy company that specializes in the storage and sale petroleum products and solar power generation through three business segments: Rubis Energies, the company's midstream and downstream oil business (99 percent of FY23 revenue), Rubis Renouvlables (0.7 percent of FY23 revenue) which builds and operates solar plants in Europe, and Rubis Terminal (0.3 percent of FY23 revenue) which specializes in bulk liquid storage across major European ports. Geographically, the company operates in Europe, Africa, and the Caribbean which represent 13, 38, and 49 percent of revenue respectively. Its customers are a mix of individuals, businesses, and governments.

2023 Revenue by business line

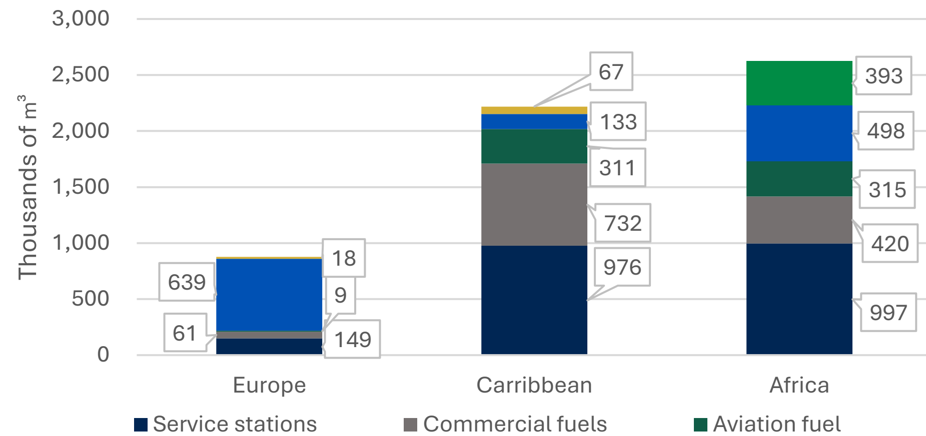


Source: Company filings

Rubis Energies

Digging down into each segment, Rubis Energies is split into Retail and Marketing (83.7 percent of FY23 revenue) and Support and Services (15.6 percent of FY23 revenue), with Retail and Marketing representing the core of Rubis' legacy operations. This segment distributes liquified gas, bitumen, and fuels to commercial and retail customers through a network of 1,084 service stations and 81 industrial centers. Its operations are spread across Europe (14.4 percent of Retail and Marketing revenue and 15.3 percent of volumes), Africa (42.4 percent of Retail and Marketing revenue and 38.8 percent of volumes), and the Caribbean (43.1 percent of Retail and Marketing revenue and 45.9 percent of volumes). However, the product mix looks quite different across regions with Europe being dominated by residential liquified gas while Africa and the Caribbean emphasize fuels.

2023 Retail and Marketing volumes by product and region



Source: Company filings

Support and Services

The Support and Services sub-division handles the company's midstream assets. These are comprised of a fleet of 16 fuel tankers, and a 71 percent stake in the SARA refinery in Antilles which supplies the French overseas territories in the Caribbean. The shipping assets are primarily used to provide logistics support for Rubis' Retail and Marketing business, insulating it from volatility in the shipping industry. However, they are also used to generate revenue when possible.

Rubis Renouvlables

Rubis Renouvlables operates B2B solar power installations and was established in 2022 with the acquisition of Photosol, France's third largest photovoltaic company by installed capacity. The segment specializes in mixed-use agricultural, rooftop, and shade-type projects which benefit from legislative support and reduced competition but are costlier and less efficient than single use plants. Photosol sells its electricity using 10-to-20-year contracts that are obtained from both the French government's tender mechanism and corporate PPAs. Photosol's current capacity stands at 435 MWp with a project pipeline of 4.3 GWp. Almost all the segment's operations are in France (including overseas territories in the Caribbean) and it is in the early stages of expanding into Italy and Spain.

Rubis Terminals

The terminals division operates bulk liquid storage facilities in ports across France, The Netherlands, Belgium, and Spain. It is structured as a joint venture which is 55 percent owned by Rubis and 45 percent owned by the infrastructure fund I Squared Capital. Rubis reached an agreement in Q1 2024 to sell its stake in the business to I Squared for 375 million. This transaction is expected to generate a 75million euro capital gain and close before the end of 2024, pending regulatory approval.

INDUSTRY OVERVIEW

European oil & gas market positioning

In Europe, Rubis is a leader in LPG and is the largest player (37 percent market share) in the niche fuel markets of Corsica and the Channel Islands. Vitogaz, Rubis' LPG marketing subsidiary, ranks in the top three in France (top four firms control 90 percent of the market) and Portugal (top two firms control over 67 percent of the market), allowing it to access above average margins. Vitogaz holds the number one position in market share in Switzerland, thanks to its well-positioned logistical assets. In Spain, the gas market is subject to price regulations, which depress margins[1] lead to market fragmentation (HHI of 1,241). Vitogaz has a 6 percent market share in the country, with its operations being concentrated in Catalonia, Galicia, and Aragon. Rubis' main competitors in Europe are DCC (Butagaz), SVH Energy (Primagaz), UGI (Antargaz) in France, and Repsol, Nortegas, and Galp in Iberia.

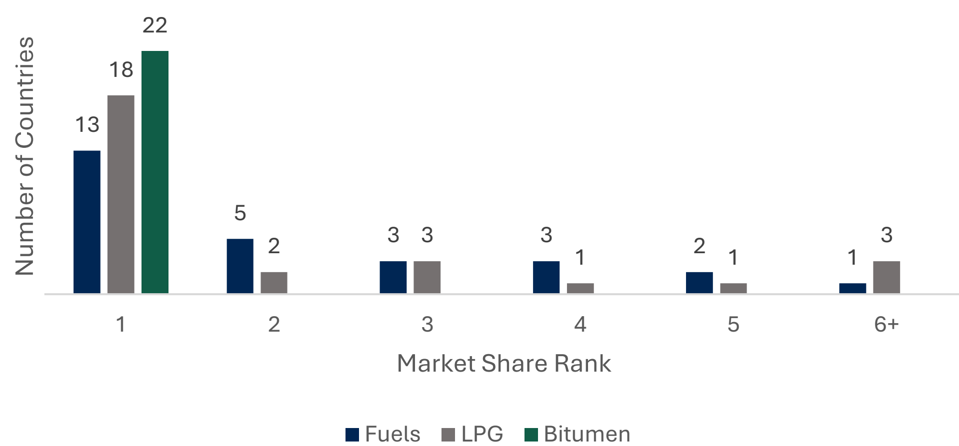
Caribbean oil & gas market positioning

Market concentration is highest in the Caribbean. While detailed market share data is difficult to access in emerging/frontier markets, a comparison of the number of service stations and LPG storage volumes that the top players control serves as a useful proxy for measuring their market shares in fuels and LPG. These metrics reveal that the region's smallest island economies are dominated by only two or three firms, while larger markets support up to half a dozen. Rubis ranks first and second in 63 and 21 percent respectively, of Caribbean countries is which it does business. In most cases, it ranks highest in less competitive eastern Caribbean islands, where it has gradually acquired the assets of rival firms. Rubis' main competitors are Parkland (Sol) across all countries, Total and Shell in larger markets and the French overseas territories, the West Indies Oil in eastern Caribbean, and Guyoil in Guyana.

African oil & gas market positioning

Africa is also characterized by high concentration, with the top players controlling between 75 and 95 percent of market share. Rubis' operations in west Africa represent the lion's share of its bitumen business, whose main logistics hub is located in Dubai, with major distribution centers in Nigeria, Senegal, Togo, Cameroon, Liberia, and South Africa, which serve as hubs for surrounding countries. Rubis is the largest player in these markets, according to internal estimates. In East Africa, the company mainly operates service stations and LPG, which later of which is sold both commercially and to individuals through the station network. Recently, Rubis has expanded its market share in aviation fuels, following the departure of smaller rivals from an oversaturated market. The firm is a top 3 or top 5 player in most east African markets and mostly competes with Total, Shell (Vivo), Puma Energies, and Oryx Energies region-wide, as well as with local players and NOCs in individual countries.

Rubis ranks first in market share accross most products and countries



Sources: Rubis, Total Energies, Vivo, Puma Energies, Oryx Energies, Sol Petroleum, M-Kopa Labs, F&L Asia, Google Maps Autoridade da Concorrência, Comision Nacional de los Mercados y la Competencia, Selectra, Zambia Energy Regulation Board, Kenya Energy & Petroleum Regulatory Authority, EDPRwanda, Competition Commission South Africa, Botswana Energy Regulatory Authority

Solar market positioning

The European solar energy market is highly fragmented, with the top 10 players accounting for just over 5 percent of the continents' 263 GWp of installed capacity. Only two firms, Lightsource BP and Iberdrola, have a significant presence, with 1.8 and 1.6 percent of the market, respectively. The other major players each account for between 0.05 (Equinor) and 0.44 (Engie) percent apiece. Rubis is the 9th largest firm with 0.17 percent of Europe's total installed solar energy capacity.

Top 10 European Solar Firms by Installed Capacity in 2023			
	Capacity (GWp)	Market Share	Rank
Lightsource BP	4.800	1.825%	1
Iberdrola	4.093	1.556%	2
Engie	1.168	0.444%	3
Total Energies	1.100	0.418%	4
Enel Green Power	1.000	0.380%	5
Ampyr Solar Europe	1.000	0.380%	6
EDF ENR	0.685	0.260%	7
Voltaia	0.632	0.240%	8
Rubis Photosol	0.435	0.165%	9
Neoen	0.252	0.096%	10
Others	247.835	94.236%	
Europe total	**263**	**100%**	

Sources: Rubis, EDF, Total Energies, Voltaia, Neoen, EDP Renewables, Isar Digital Ventures GmbH, Iberdrola, Ampyr Solar Europe, BP

On the other hand, the French solar market (14 GWp) is more concentrated relative to Europe at large, with the largest firms accounting for just under 22 percent of the market. Here, Rubis Photosol ranks third with 3.2 percent market share, given that almost all of its operations are located in France. The top two players are Total which controls 6.6 percent of the market, and Engie, which operates 6 percent. EDF ENR is in close fourth at 2.9 percent market share. The rest of the French solar market is made up of smaller players, only two of whom, Volataia and Neoen, manage to crack a full percentage of the country's installed capacity. This market structure is emblematic of the wider European solar industry, in which firms tend to focus on their home countries before expanding internationally.

Largest Solar Firms in France by Installed Capacity in 2023

	Installed Capacity (GWp)	Market Share	Rank
Total Energies	0.900	6.625%	1
Engie	0.817	6.014%	2
Rubis Photosol	0.435	3.202%	3
EDF ENR	0.395	2.905%	4
Voltaia	0.209	1.538%	5
Neoen	0.194	1.428%	6
Others	10.635	78.287%	
France total	**13.585**	**100%**	

Sources: Rubis, Engie, Total Energies, Voltaia, Neoen, EDF

PORTER'S FIVE FORCES ANALYSIS

	Rubis Energies	**Rubis Photosol**
Rivalry	HIGH	HIGH
Threat of New Entrants	MEDIUM	HIGH
Buyers' Power	LOW	MEDIUM
Suppliers' Power	MEDIUM	MEDIUM
Threat of Substitutes	LOW	LOW

Competitive Rivalry

Rivalry is high in the legacy business, save for a few niche segments of its operations. Downstream refined oil product distribution – from which the company generates 85 percent of its revenue – is comprised of several large, vertically integrated, firms, as well as many independent local players. Rubis' main competitors among the oil majors are: Puma, Total, Vivo, Oilibya, and state owned companies in Africa; Parkland (Sol), Guyoil, BG Group, and Total in the Caribbean; and DCC, Galp, Repsol, SHV, UGI, and Total in Europe. Furthermore, refined oil products are undifferentiated between companies, increasing rivalry. This competitive landscape extends to Rubis' midstream shipping and terminals operations. Rivalry is also high for the Renewables Division. EU and country-level climate policies, and a dramatic decrease in the cost of solar installations, have brought many new players into the market. These range from the subsidiaries of large firms such as Engie, Total, EDF ENR, and the Mulliez Group (Voltalia), to independent players such as Neoen and Tenergie. As with oil products, electricity is an undifferentiated good, leading to price competition.

Despite high overall rivalry, Rubis has managed to carve out a niche in certain defensible markets. This is especially the case in the Caribbean where the market dynamics of small island nations discourage new entrants. For instance, Rubis is the only supplier of fuels for the Haitian electricity and telecommunications industries. Furthermore, Rubis has carved out a leading position in the East African aviation fuel market following a period of oversupply that drove many smaller players out.

Threat of New Entrants

The threat of new entrants is high, especially in the solar business. Since 2010, the costs to construct a utility-scale solar installation have decreased by 81, 89, and 85 percent in France, Italy, and Spain respectively (Rubis' target markets). This effect is compounded by European policies that have made it easier for firms to enter the market. Historically, the biggest barriers to entry into the solar industry were the drawn out, bureaucratic, process of getting projects approved and complex government auction systems. In recent years, European governments have introduced new laws that streamline approvals and simplify the auctions, further reducing the barrier to entry.

Concerning the legacy businesses, the threat of new entrants is medium. While barriers to entry are elevated for vertically integrated oil companies, these barriers mostly relate to the difficulty of accessing new oil fields and the high costs associated with extraction. Since Rubis operates primarily in downstream distribution, the threat of new arrivals is comparatively elevated. However, it is moderated by the company's dominant presence in island economies, which are fully served by incumbents, reducing their attractiveness for new players. In the long run, firms trade their stakes in these local operations, which can give the illusion of new entrants and slightly shake up the local dynamics. Fundamentally, the quantity of underlying assets does not change as demand fluctuations are driven by tourism.

The Support and Services segment offers some niches which are relatively safe from competition. In particular, the SARA refinery in Antilles is especially immune to new entrants. It is the primary supplier for the French Caribbean departments. These are mostly small island economies in which demand is not sufficient for a competitor to justify the high cost of building a competing refinery. As far as shipping is concerned, the threat of new entrants is high. Current demand for product tankers is almost double the supply which is expected to lead to a 6.2 percent increase in the global fleet over the next two years.

Buyers' Power

Buyers' power is low. Rubis' main customers are the individuals and businesses who consume its refined products and photovoltaic electricity. While these are highly fragmented, and thus do not have any individual purchasing power, governments often step in on their behalf to impose restrictions on the energy markets. This was particularly apparent in Africa when the Kenyan and Madagascan governments-imposed price caps on fuel in response to the 2022 fuel crisis.

In regard to the solar business, European governments award permits for projects using auctions which limit companies' ability to sell at market rates. While this process has threatened project viability in the past, the French government recently switched its pricing scheme to incorporate construction-related costs. This move has been successful in reassuring energy producers that their projects will be profitable. This being said, Rubis' strategy of locking in rates with corporate customers goes a long way towards insulating it from volatility in the electricity market. Furthermore, the French government has periodically allowed Rubis to sell at market rates during periods of high inflation.

Suppliers' Power

Suppliers' power is medium, stemming mostly from vertically integrated oil companies. These oil majors operate along the entire length of the supply chain, meaning that they both supply Rubis with refined products, and compete with them to sell these same products to the final customer. However, this power is limited by Rubis' ability to shop around for the best price on the international markets.

Regarding Photosol, the market for solar panels is fragmented among many suppliers. While Rubis' competitors are not vertically integrated, the threat of upstream integration in the industry should not be underestimated, given the prevalence of such businesses outside of Europe.

Threat of Substitutes

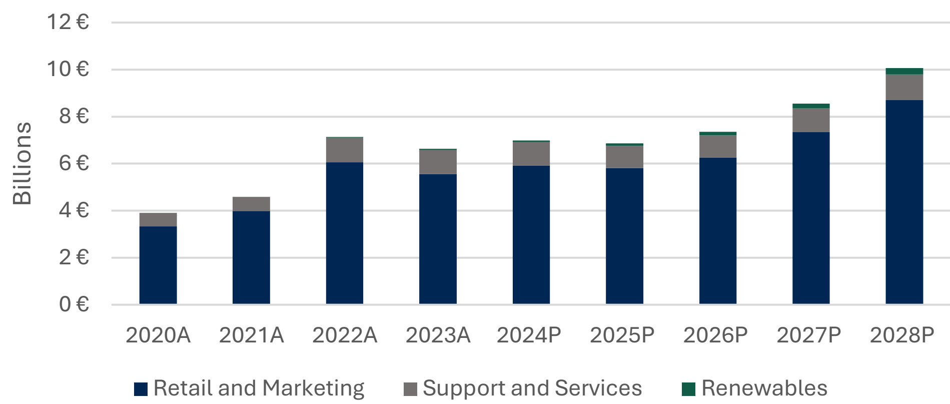
The threat of substitutes is low thanks to Rubis' business model and market positioning. The main substitutes in Rubis' legacy oil business are alternative fuels such as autogas and sustainable aviation fuel (SAF). While the adoption of these may be a threat to oil majors, Rubis has managed to benefit from this trend by virtue of operating in the downstream segment and having a flexible business structure which allows local managers to quickly adjust product offerings. The company has demonstrated its ability to adapt to new trends by reworking its storage and distribution infrastructure to accept new types of fuel. For instance, Rubis Terminal earned 12 percent of its 2023 revenue from biofuels versus none a decade prior. Furthermore, the company has added autogas to its European offerings, making it an early player in an alternative fuel source whose market has been growing at upwards of 20 percent per year. In the solar energy segment, the main substitutes are fossil fuels, nuclear power (especially in France), and non-solar renewables. These do not pose a significant threat to Rubis for three reasons. First, the company operates in both the fossil fuels and renewable energy segments, allowing it to profit irrespective of the European energy mix. Second, the total cost of a new photovoltaic solar installation is lower than that of wind. Third, Rubis' solar plants are primarily constructed on mixed-use land that cannot accommodate other types of renewable power generation.

GROWTH OUTLOOK

Consolidated projections

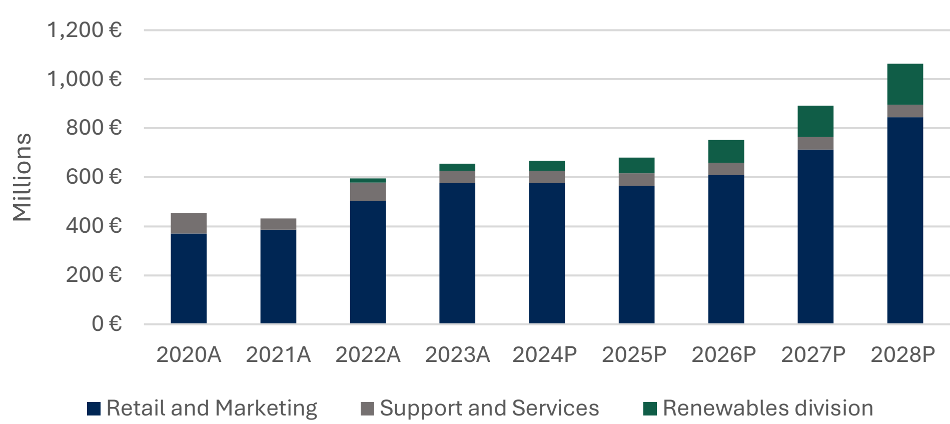
On a firm-wide basis, Rubis is forecast to grow revenue by 8.7 percent CAGR, net income by 9.5 percent CAGR, and EPS by 8.8 percent CAGR over a five-year horizon. This expansion will be primarily driven by growth in the Photosol subsidiary and energy distribution in Africa, both of which benefit from strong secular trends. Margins are forecasted to rise steadily through 2028 as the high-margin solar business makes up a larger proportion of sales.

Revenue to grow at 8.7% CAGR, renwables to grow to 2.6% of revenues by 2028



Sources: Company filings, Yannick Laurent Finance estimates

EBITDA to grow at 6.3% CAGR, renwables to be 16% of EBITDA by 2028

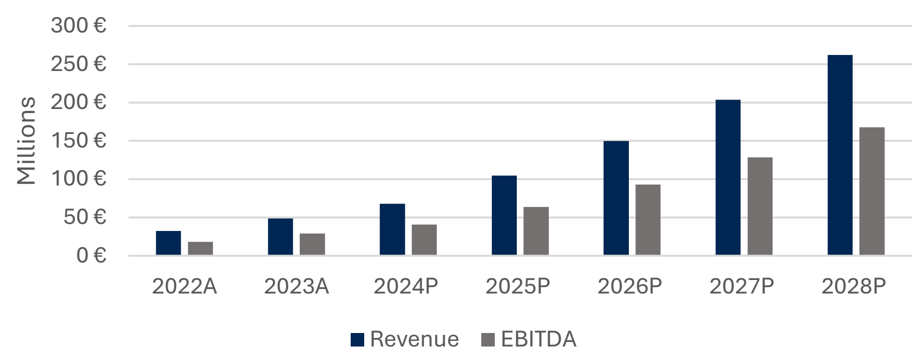


Sources: Company filings, Yannick Laurent Finance estimates

Rubis' expansion plans rest on two pillars: growth in renewable products, and population growth and economic development in Africa. Management's strategy is based on making strategic acquisitions in areas that it has identified as having strong organic growth and favorable local market structures. This approach synergizes well with Rubis' decentralized structure which gives regional executives a lot of leeway in navigating their regions' idiosyncratic dynamics.

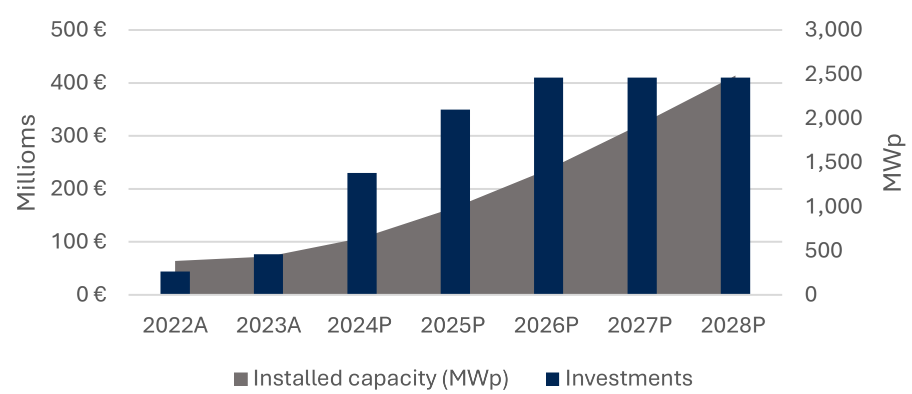
Renewables forecasts

Solar revenue and EBITDA to grow at 40% and 42% CAGR respectively



Sources: Company filings, Yannick Laurent Finance estimates

Operational capacity to reach 2.6MW by 2028 with 1.8billion in total CAPX



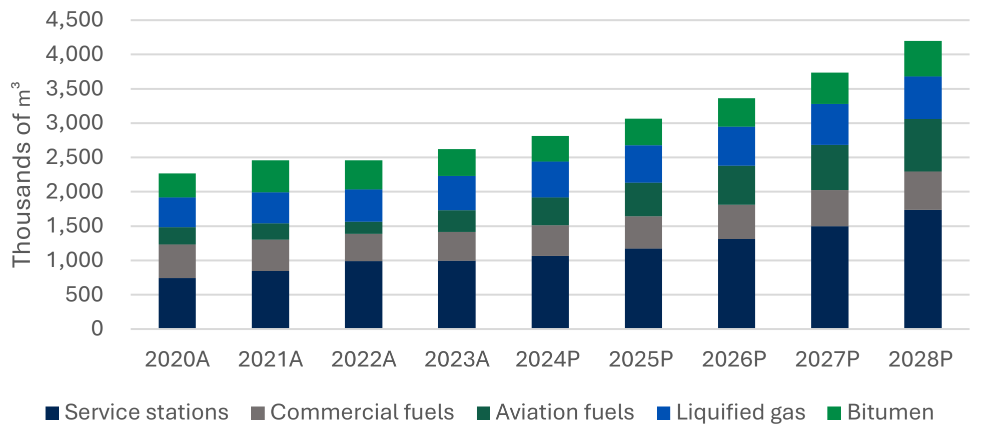
Sources: Company filings, Yannick Laurent Finance estimates

Overall European renewables capacity is expected to grow 523GW or 66 percent between 2023 and 2028, with photovoltaic representing 70 percent of additions, according to the IEA. The French solar market, where Rubis Photosol generates almost all its revenue, has a more favorable legislative backdrop than many other countries. The government passed a law in early 2023 which mandates that all new parking lots above 1,500 square meters, and all commercial buildings above 500 square meters, must be fitted with renewable energy production. The law also streamlined the project approval process, lowering examination times from an average of five years to a maximum of three months. Finaly, the legislation created a framework that lowers the barriers to creating mixed-use agricultural/photovoltaic installations. This last point is significant as half of France's land is used for agriculture, meaning that the potential space available for new solar installations has essentially doubled overnight. Rubis is in a prime position to benefit from these reforms as it specializes in the mixed-use installations that are being promoted.

The Photosol division's revenue is forecasted to grow at a 40 percent CAGR in the next five years. Management plans to increase the division's current capacity of 435MWp to 1GWp by the end of 2025 and 3.5GWp by 2030, representing 700 million and 2.7 billion in cumulative CAPX, respectively. These investments will be funded using 85 percent secured debt and 15 percent cashflow from the legacy oil business. Assuming constant average electricity prices and plant efficiency, segment revenue should grow from 49 million euro in 2023 to 262 million euro in 2028, the model's terminal year. In five years, Photosol's share of revenue and EBITDA would stand at 2.7 percent and 16.2 percent respectively versus 0.7 percent and 4.4 percent in 2023. This scenario is slightly behind track for reaching management's goals of a 25 percent EBITDA share in 2030.

African oil & gas forecasts

Aviation fuels and service stations to drive African volume growth



Sources: Company filings, Yannick Laurent Finance estimates

Growth will mostly come from favorable demographics and development in Africa. Over the last three years, overall, African year-on-year revenue growth has clocked in at 21.5 percent on average, or 18.2 percent on a compounded basis, with the difference attributable to regional revenues falling 9.7 percent in 2023. This weak year was mostly the result of many service stations being closed for rebranding, a slow Kenyan economy, unexpected FX losses, and volatility in Nigeria stemming from the country's economic reforms.

Looking forward, population growth alone will increase African refined product demand by 2 percent annually, before accounting for changes in per-capita consumption and changes in Rubis' market share. After accounting for all factors, African volumes and revenue are expected to increase at a 9.9 and 13 percent CAGR respectively through 2028. In the short-term, growth will mostly come from service stations – where growth will kick off again following their rework which ended in 2023, and aviation fuels – where many small players in East Africa recently exited the market, leaving Rubis in a leading position. In the three-to-five-year horizon, service station and bitumen growth will increase to the mid-teens as the situation in Nigeria stabilizes while aviation fuel growth slows as Rubis runs out of market share to grow into.

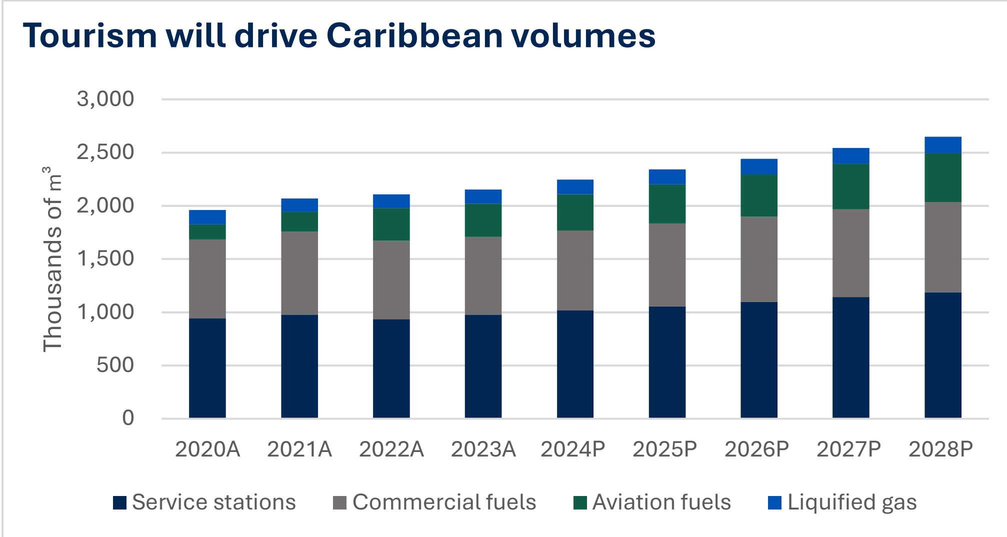
Commercial fuels and liquified gas growth is expected to be slower but steady over the five-year forecast period, driven by population growth, economic development, and the promotion of clean cooking initiatives by governments.

Nigeria was a sore spot for the Africa division in 2022 and 2023. Rubis suffered from gasoline price-caps and unexpected devaluations of the Naira that were caused by a policy pivot towards a floating exchange rate. However, the damage is expected to give way to stronger growth in the long run as the government has lifted its price controls, leading to a sharp increase in the price of fuels. Furthermore, foreign investment is expected to increase because of the new FX regime, leading to higher long-term economic development.

African product-level growth and assumptions

Product	5-yr CAGR	Growth drivers
Service stations	12%	Increase in number of cars, rebranding
Commercial fuels	6%	Population growth, economic development, urbanization
Aviation fuels	20%	Increased market share in east Africa, rising demand
Liquified gas	5%	Government initiatives to promote clean cooking
Bitumen	6%	Infrastructure and economic development

Caribbean oil & gas forecasts



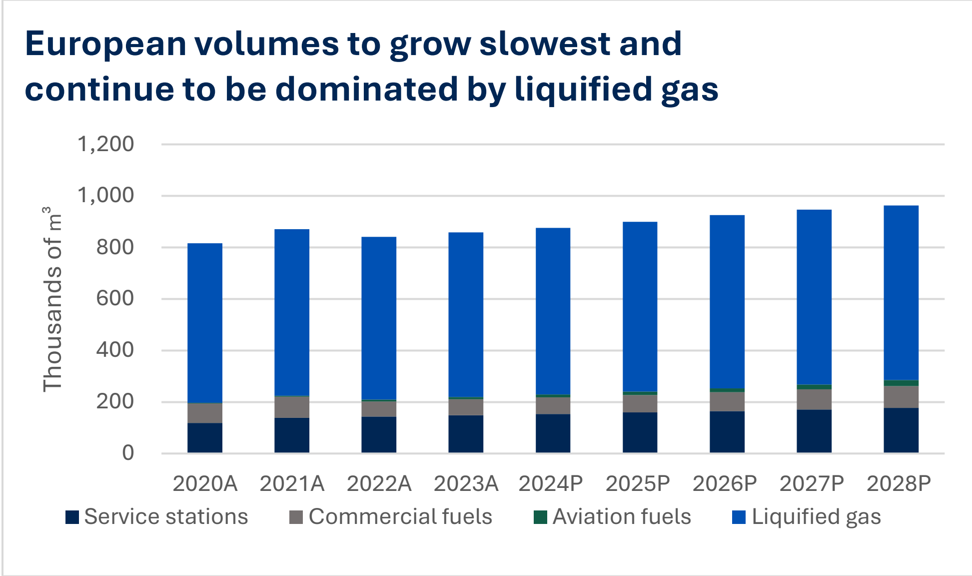
Sources: Company filings, Yannick Laurent Finance estimates

Resent growth in the Caribbean has been strong thanks to strong tourism from North America. This trend is expected to persist, albeit at a slower rate, in 2024 as travel from the United States has recovered to pre-pandemic levels while visits from Europe, Canada, and Latin America remain at around 88 percent of their 2019 peaks. Historically, Caribbean volumes and revenue have grown at 4.2 and 20 percent CAGR respectively. The base case for regional growth through 2028 will see revenue growth drop to a 6.8 percent CAGR as pent-up travel demand subsides back to normal levels.

Caribbean product-level growth and assumptions

Product	5-yr CAGR	Growth drivers
Service stations	4%	Increased non-fuel product offerings, tourism
Commercial fuels	3%	Historic trend
Aviation fuels	8%	Tourism recovery
Liquified gas	3%	Historic trend

European oil & gas forecasts



Sources: Company filings, Yannick Laurent Finance estimates

The European legacy business is forecast to grow volumes and revenue at 2.1 and 5.0 percent CAGR over the five-year forecast period. Aviation fuels will be the fastest growing product, coming in at a 21.0 percent CAGR through 2028. This will be driven by high global demand for aviation, which, in turn will stem from a trend of rising disposable incomes and cheaper airfare. Rubis will further benefit from its strong presence in Spain, Europe's largest aviation market. However, the strong growth in aviation will be largely cancelled out by a decline in residential liquefied gas sales, which makes up most of the region's volumes. This decline is driven by the adoption of energy-saving initiatives such as the adoption of electric heat pumps, which are rapidly gaining in popularity among European households (40 percent annual growth). They are cheap, green, efficient, multi-purpose, and easy to install, making them an increasingly popular alternative to gas furnaces. Service station volume growth is projected to continue at its historical growth rate of 3.5 percent (excluding the 2021 covid bounce-back year) with autogas as its only potential growth catalyst. Finally, commercial fuels are expected to grow at a moderate pace in the near term and slightly faster towards the end of the forecast horizon, as Rubis repositions into the biofuel market.

European product-level growth and assumptions		
Product	5-yr CAGR	Growth drivers
Service stations	4%	Historic trend (excluding pandemic recovery year)
Commercial fuels	7%	Historic trend plus adoption of alternative fuels
Aviation fuels	21%	Increased aviation demand, strong footprint in top EU aviation markets
Liquified gas	1%	Slower due to warmer winters and fuel efficiency adoption

PROFITABILITY

Retail and Marketing margin drivers

Rubis mostly operates in markets that allow it to pass inflation on to customers, leading to stable profitability. This being said, margins are affected by 1) volumes, through economies of scale, 2) crude oil prices, which reduce input costs and increase demand when they fall, 3) product mix, 4) currency fluctuations, and 5) competition. In 2023, profitability increased across the board, driven by higher volumes, lower crude prices, strong Caribbean tourism, decreased competition in African aviation fuel, and the completion of a rebranding program in Africa which brought newly acquired service station networks in line with Rubis' overall standards. Unforeseen currency depreciations in Kenya and Nigeria weighted on margins, although these did increase when measured in local currencies. Africa and the Caribbean were the most heavily impacted by these factors and saw a correspondingly higher jump in profitability. In 2022, depressed margins were brought about by higher oil prices which lowered demand, increased costs, and prompted the governments of Kenya, Madagascar, and Bermuda to temporarily implement price controls on fuels.

Retail & Marketing Segment Gross Margin, Historical and Projected								
	2021A	2022A	2023A	2024P	2025P	2026P	2027P	2028P
Europe	29%	24%	23%	27%	27%	27%	27%	27%
Caribbean	13%	11%	29%	20%	20%	20%	20%	20%
Africa	14%	11%	32%	20%	20%	20%	20%	20%
Retail & Marketing total	**16%**	**13%**	**29%**	**21%**	**21%**	**21%**	**21%**	**21%**

Sources: Company Filings, Yannick Laurent Finance projections

Retail and Marketing margin forecasts

Given that Rubis' business is driven by volumes and a lack of predictable catalysts for annual margins, profitability is projected to stay constant, on average, over the five-year forecast horizon. Each region's assigned margin was estimated as being slightly above its historical mean, reflecting Rubis' projected volume increases and structural / macro shifts in Africa and the Caribbean. The model's scenario analysis modulates margins according to their historical ranges, with Africa's downside case being slightly increased to reflect its recent geopolitical instability. Each region's weighting in the calculation of overall segment profitability is derived from product-level volume projections.

Renewables margins

Photosol's long-term financials are unavailable due to its recent acquisition by Rubis, and previous status as a private company. However, company filings reveal that the segment's EBITDA margins are in the mid fifty to sixty percent, reflecting the low ongoing costs associated with photovoltaic installations. While gross margins are not disclosed, a comparison of the figures of competitors in the space estimates them at around 75 percent. The model's base case forecasts Photosol's EBITDA margins as increasing by 1 point per year, driven by the division's expansion unlocking economies of scale.

Renewables Segment EBITDA Margin, historical and Projected							
	2022A	2023A	2024P	2025P	2026P	2027P	2028P
EBITDA margin	55%	60%	60%	61%	62%	63%	64%

Sources: Company Filings, Yannick Laurent Finance projections

Consolidated Margins

Historical firmwide margins have historically been driven by the Retail & Marketing segment as it generates roughly 85 percent of revenue. Moving forward, margins are projected to fall in the short term as the higher depreciation and interest expenses associated with the firm's ambitious solar projects weights on profitability. Net margins will rise towards the end of the decade as CAPX slows and Photosol's high profitability makes a larger contribution to the firm's consolidated results.

Consolidated Margins, Historical and Projected

	2021A	2022A	2023A	2024P	2025P	2026P	2027P	2028P
Gross margin	27.7%	20.2%	25.4%	21.9%	22.4%	22.6%	22.5%	22.3%
EBITDA margin	11.5%	9.6%	11.8%	9.6%	9.9%	10.2%	10.4%	10.6%
Net margin	6.6%	3.8%	5.1%	4.3%	4.3%	4.7%	5.2%	5.3%

Sources: Company Filings, Yannick Laurent Finance projections

RISKS

Government interference in the energy markets

Government interference was particularly strong in Africa during the 2022 fuel crisis where the governments of Kenya, Nigeria, and Madagascar enacted price controls that severally cut into Rubis profitability. This came to a head when the Kenyan government temporarily deported Rubis Kenya CEO Jean-Christian Bergeron due to a dispute over the company's pricing strategy. The easing of oil prices has caused these governments to reverse their interference and even compensate fuel providers, including Rubis, for lost revenues in 2023. Contrary to crude producers, Rubis benefits from a lower oil price environment given that it buys products from upstream suppliers and that elevated prices lower demand and/or induce government price controls.

In Europe, governments interfere in the solar markets through auctions – which control electricity prices, and regulations – which affect the types of projects that can be built. In Italy, for instance, the government has made moves to prevent agricultural land from being fully converted into solar farms.

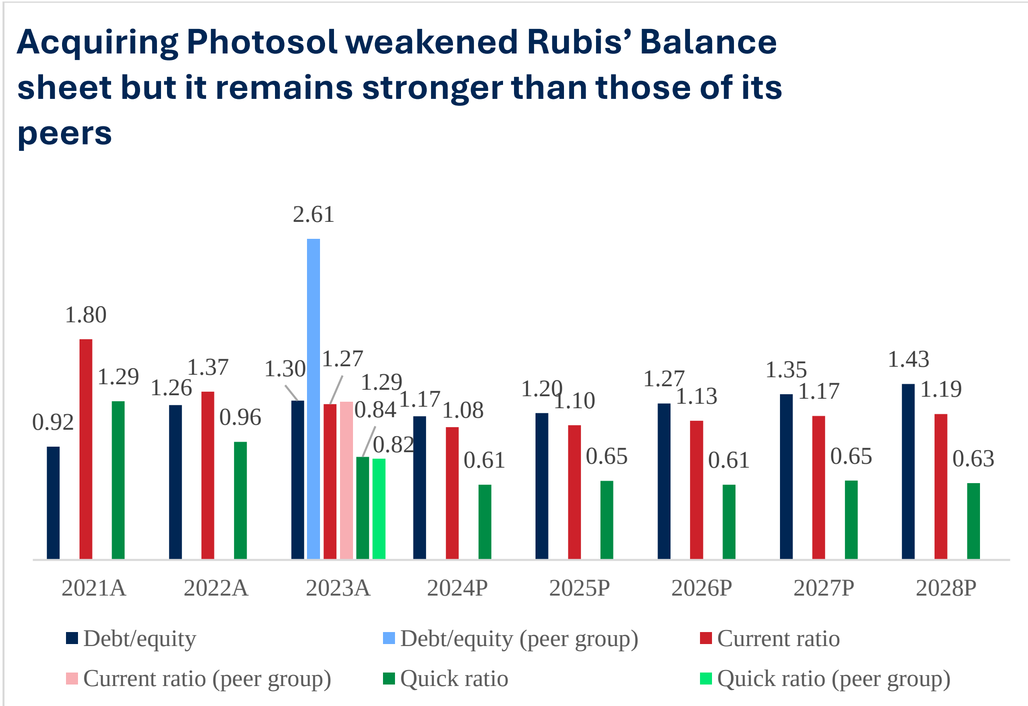
Political instability

Rubis' high emerging markets presence exposes it to economic and political instability. This is best exemplified in Haiti where the current situation caused a 40-million-euro goodwill impairment to be recorded in 2022. In west Africa, government instability and a political shift away from western countries could jeopardize Rubis' ability to operate in the region. Furthermore, acts of piracy and terrorism are an ever-present risk to the company's logistics and industrial sites. General instability across Africa and the Caribbean could also negatively impact economic development which would, in turn, hurt demand for oil products. As far as the war in Ukraine is concerned, Rubis has never has any operations in region and is only exposed to the conflict by its impact on the international oil markets.

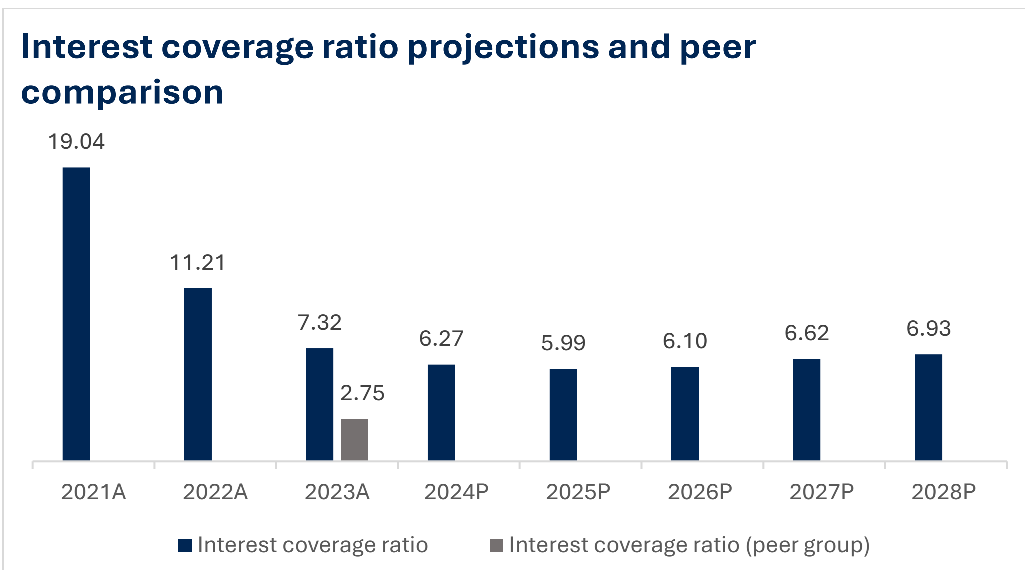
Increasing debt

One of the main drawbacks of Rubis' multi-country strategy is foreign exchange risk. Rubis buys oil products in US dollars on the international markets and sells them in local currencies. Furthermore, most of the company's operations take place in emerging markets which can have volatile exchange rates and shortages in foreign reserves. Large and unexpected depreciations of the Nigerian naira and Kenyan shilling caused FX losses of 84 million and 105 million euro respectively in 2022 and 2023. Rubis is seeking to manage this risk by shifting operating costs into local currencies, setting up hedges when products are purchased, and incorporating exchange rates into prices when possible. However, exotic currencies such as the Naira and Shilling remain difficult to fully hedge.

The Photosol acquisition increased Rubis' debt burdens, raising the debt-to-equity ratio from 0.92 in 2021 to 1.26 in 2022, the year in which the transaction took place. In 2023, debt-to-equity stood at 1.30, the current ratio was 1.27, the quick ratio was 0.84, and the interest coverage was 7.3. These figures all reflect lower solvency/liquidity compared to the company's long-term history. However, Rubis' balance sheet remains stronger than those of its peer group thanks to its strong cash flows, profitability, and management being personally liability for the company's debts.



Source: Morningstar
Peer group: DCC, Parkland, UGI



Source: Morningstar

Rubis' growth will require an average of €491 million in CAPX per year with 85 percent debt financing for the solar division and 50 percent debt financing for the legacy business. When these figures are combined with the company's growth projections, debt levels will remain elevated but stable through 2028.

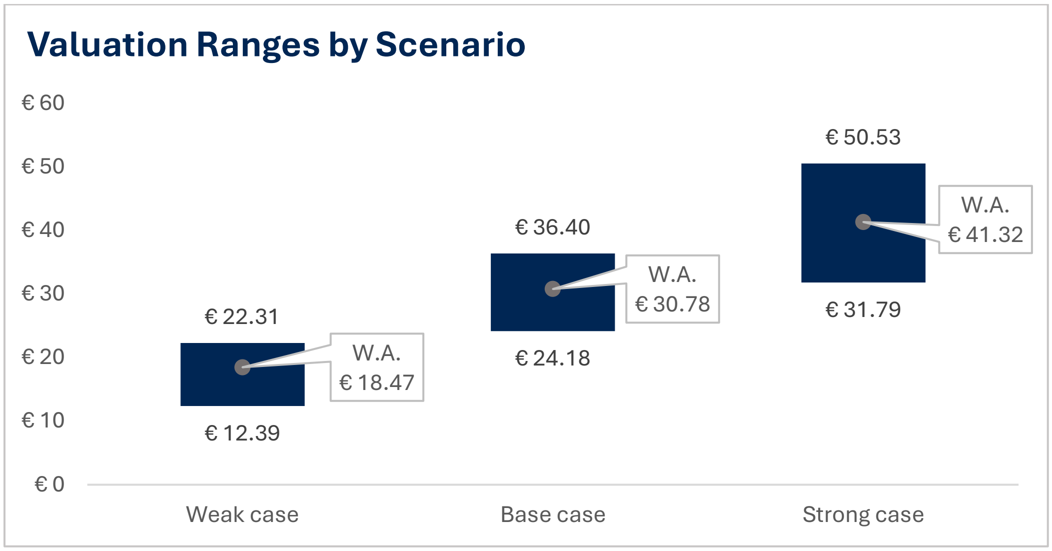
Climate change

Natural disasters in the Caribbean and warm European winters are the main sources of Rubis' climate-related risks. Given that the company generates 46 percent of EBIT from industrial assets in the Caribbean, a region is prone to natural disasters, the occurrence of such an event could cause significant damage to Rubis' operations. However, this risk is partially offset by the company's diversified presence across countries and products. In Europe, residential liquified gas sales represent 49 percent of volumes. Since residential customers mostly use gas for heating, warm winters threaten demand in this segment. In 2022, a warm winter caused overall European volumes to decrease 2 percent. Secondary climate-related risks exist regarding differing levels of sunlight impacting the solar business, and climate change disincentivizing the use of fossil fuels.

VALUATION

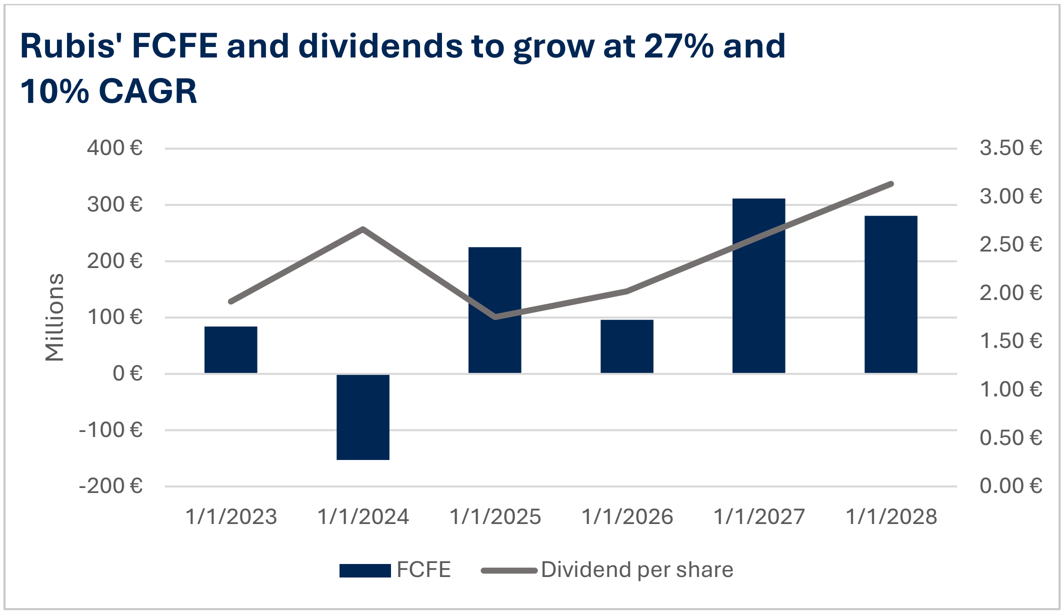
Scenario analysis

According to the model's base case scenario, the fair value of Rubis shares is €30.78, based off a five year, two-stage, DCF model. This figure was derived using a weighted average of four DCF techniques: FCFE with a constant growth derived terminal value, FCFE with an adjusted EBITDA multiple derived terminal value, a DDM with a constant growth derived terminal value, and a DDM with a multiple based terminal value. The final valuation is a weighted average of these four methods. The free cash flow-based valuations were each assigned a 20 percent weight while the dividend-based methods each got a 30 percent weight. This difference is due to Rubis' dividends being more stable than its free cash flow, making them more valuable for forecasting. Shares are valued at €41.32 in the strong case scenario and €18.47 in the weak case scenario. The wide range of outcomes is a result of the high potential volatility of emerging markets. Each of these scenarios alters the model's core drivers according to their historical variations, with African weak case inputs being slightly increased to the downside to reflect growing instability in the region.



Cash flow projections

FCFE is forecast to grow at a 27 percent CAGR from €84 million in 2023 to €281 million in 2028, while dividends are projected to grow at 10.4 percent CAGR from €1.92 to €3.15 per share over the same period. CAPX is the single largest component of FCFE, rising at a 14 percent CAGR from €313 million in 2023 to €616 million in 2028. The dividend forecast assumes a stable payout ratio of 65 percent, 140 basis points below the historical average. The model also incorporates a €0.75 per share special dividend from the sale of Rubis Terminals. The 2023-2028 CAGR of 10.4 percent is above the long-term historical average of 8 percent, reflecting Rubis' growth outlook and shift to a more profitable product mix.



Terminal value assumptions

The model assumes 10 percent and 9 percent long-term FCFE and dividend growth rates, and 5.5x and 15.8x adjusted EBITDA and dividend multiples. These inputs are the same across all scenarios as risks are accounted for in the cash flows and discount rate. The terminal multiples are simply historical averages. The 10 percent FCFE perpetuity growth rate is lower than the 2024-2028 forecast but roughly in line with the value implied by the historical 5.5x multiple. This is also consistent with lower long-term CAPX and debt, which should subside as Photosol matures. Terminal dividend growth of 9 percent splits the difference between the 2023-2028 forecast of 10.4 percent and long-term historical rate of 8 percent. This is consistent with Rubis' higher growth and profitability outlook while being more conservative than the model's explicit forecast.

Discount rate

Finally, the discount rate for Rubis is 17.3 percent. This figure was calculated using the capital asset pricing model and a country risk premium. The risk-free rate was approximated with the yield on 30-year French government bonds, reflecting Rubis' home country and the model's long-term perspective. In a similar vein, the equity risk premium was calculated for the French stock market. Regarding country risk premiums, Rubis discloses the countries that it operates in but does not report country-level operational figures, and, as such each, countries were each given equal weights. The individual premiums used for each one were those calculated by NYU Stern's Aswath Damodaran. Details on his methodology and underlying data are available on his website. The final country risk premium used to value Rubis is 7.39 percent.

MANAGEMENT

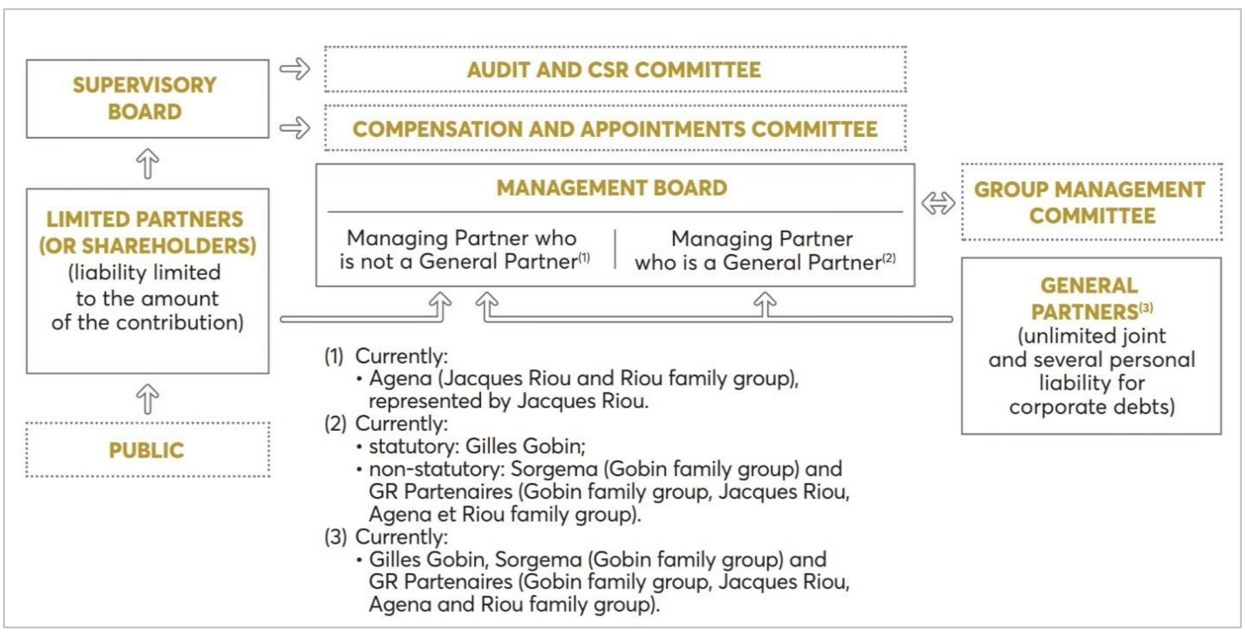
Corporate structure and leadership

Rubis' is incorporated as a partnership limited by shares, allowing its founders to control the business while giving shareholders a supervisory role. These types of corporations have limited partners – who are common shareholders, and general partners – who are personally liable for the company's debts. Functionally, Rubis' general partners are its founders, Giles Gobin and Jaques Riou, as well as Gobin's daughter Clarisse Gobin-Swiecznik. New general partners can only be appointed with the unanimous approval of all existing general partners.

The company uses a two-tiered board system that is comprised of a management board – which controls the company's business decisions, and a supervisory board – which is vested with the powers of a statutory auditor and is tasked with the supervision of the management board, assisting in reporting, advising on compensation, and monitoring ESG topics. The supervisory board is elected by the common shareholders (excluding those who are also general partners) and cannot include any general partners or members of the management board. The management board has two types of members (called managing partners): those elected by the shareholders, and those appointed by the general partners. Theoretically, the managing partner that is elected by the shareholders cannot be a general partner. However, Jaques Riou has circumvented this restriction by using shell companies to hold his general partnership, meaning that the general partners make up the entire management board.

The supervisory board is comprised of ten members who have backgrounds in management, finance, audit, law, M&A, compliance, security, and ESG. Four members are not considered independent due to their board tenures exceeding twelve years; however, they meet all other independence criteria. Furthermore, the chairman of the board, and all committee chairs, are independent. No supervisory and management board members or general partners have conflicts of interest stemming from related party transactions, relationships with customers/suppliers, or financial ties with Rubis' subsidiaries.

Rubis Organization Chart



Source: Company filings

Shareholder activism

In June 2024, activist shareholders Ronald Sämann and Patrick Molis (each of whom own 5% of the company) attempted to gain control of the supervisory board with the goal of reorganizing Rubis to give ordinary shareholders more decision-making power. While Molis was defeated, Sämann was successful in getting elected to the board. This is a positive development for the company as its current structure gives the general partners too much power, given that their collective ownership is around 2 percent.

Compensation policy

Management's compensation policy is reasonable and is tied to ambitious performance targets. Fixed compensation increases are linked to an index of national hourly energy industry wages that is published by the French government. The fixed compensation levels are in line with those of other similarly sized companies. Variable compensation is capped at 50 percent of fixed compensation and is tied to a series of performance targets including earnings growth, renewable electricity production, share price performance, and carbon emission reduction. Management's success rates for achieving these goals were 45, 20, 67, and 40 percent in 2020, 2021, 2022, and 2023 respectively. While management does not technically earn any share-based compensation, the general partners – and therefore the management board – do receive a special dividend that is tied to share performance. Specifically, this dividend is set at 3 percent of the change in Rubis' total return for a given year and is capped at 10 percent of net income. While this dividend has not been paid in the last five years, shareholders have voiced concerns about its high level and lack of a high-water-mark provision. Concerning other types of compensation, the only allowable in-kind pay is the use of a company car. Overall, the compensation policy is reasonable but would benefit from a restructuring of the special dividend, and the inclusion of return based criteria.

General Partners' variable compensation	
Criteria	**Weight**
Share price performance vs SBF 120 index	27.5%
Diluted EPS growth > 6%	27.5%
Photosol EBITDA growth > 25%	10%
Photosol secured capacity growth > 45%	10%
Reduction in yoy safety incidents	10%
Reduction in yoy CO_2 emissions	15%

Source: Company filings

Glossary

Agivoltaic	A dual use solar/agricultural project. Installations are set up like traditional solar parks with livestock grazing below the photovoltaic panels. These set-ups are especially popular in Europe, which lacks large tracts of empty land for use in purpose-built solar farms.
Autogas	A low carbon automotive fuel which is derived from LPG. There are 28.3 million Autogas powered vehicles in the world, mostly in Eastern Europe and Korea. Autogas accounts for 8% of global LPG consumption.
Capacity utilization factor	Measures a solar panel's actual output as a percentage of its hypothetical maximum output, as measured under ideal lab conditions.
Clean cooking	The use of gas or electricity in cooking, as opposed to coal, wood, and paraffin wax. This practice is being promoted by the governments of many east African countries in which up to 90 percent of the population cooks using biomass (wood and other organic fuels)
MWp / GWp	Megawatt peak / Gigawatt peak. This is a solar installation's hypothetical output under ideal lab conditions (i.e. 24/7 direct light with no obstructions). These metrics are used to quantify the scale of solar installations.
Partnership limited by shares	A corporate structure that includes limited partners and general partners. Limited partners are common shareholders and thus their liability is limited to the value of their equity in the company. General partners have full personal liability for all the company's debts.

APPENDICES

Appendix 1: Financial Statements

INCOME STATEMENT, € '000s									
Fiscal year	**2020A**	**2021A**	**2022A**	**2023A**	**2024P**	**2025P**	**2026P**	**2027P**	**2028P**
Fiscal year end date	*12/31/2020*	*12/31/2021*	*12/31/2022*	*12/31/2023*	*12/31/2024*	*12/31/2025*	*12/31/2026*	*12/31/2027*	*12/31/2028*
Revenue	3,902,003	4,589,446	7,134,728	6,629,977	6,980,925	6,863,554	7,359,447	8,554,784	10,061,123
Cost of goods sold (enter as a -)	(2,702,708)	(3,319,645)	(5,690,380)	(4,945,929)	(5,275,842)	(5,147,405)	(5,522,079)	(6,459,687)	(7,636,727)
Gross profit	**1,199,295**	**1,269,801**	**1,444,348**	**1,684,048**	**1,530,903**	**1,535,531**	**1,661,080**	**1,923,037**	**2,245,975**
Selling, general, and administrative (enter as a -)	(577,841)	(614,940)	(640,369)	(742,549)	(726,946)	(715,051)	(763,710)	(889,958)	(1,040,455)
Other operating income / (expense)	(115,533)	(126,503)	(127,218)	(156,608)	(136,776)	(140,201)	(144,528)	(140,502)	(141,744)
EBITDA	**505,921**	**528,358**	**676,761**	**784,891**	**667,180**	**680,278**	**752,842**	**892,578**	**1,063,776**
Depreciation and amoritization expense (enter as a -)	(140,058)	(136,530)	(167,747)	(189,454)	(141,201)	(171,417)	(209,339)	(251,649)	(296,845)
Irregular income (expense)	(77,919)	4,802	(58,136)	7,350	(15,328)	(22,038)	(10,005)	(15,790)	(15,945)
Operating income excluding joint ventures	**287,944**	**396,630**	**450,878**	**602,787**	**510,652**	**486,823**	**533,498**	**625,139**	**750,987**
Income (loss) from joint ventures	4,268	5,906	5,732	14,930	0	0	0	0	0
Operating income including joint ventures	**292,212**	**402,536**	**456,610**	**617,717**	**510,652**	**486,823**	**533,498**	**625,139**	**750,987**
Interest income	2,597	9,645	11,868	15,869	10,621	5,884	4,346	2,980	2,716
Interest expense on debt (enter as a -)	(19,396)	(22,220)	(42,363)	(87,858)	(79,848)	(74,640)	(79,069)	(84,273)	(96,510)
Interest expense on leases (enter as a -)	(9,188)	(8,565)	(10,234)	(12,370)	(12,210)	(12,501)	(12,717)	(13,104)	(14,566)
Other finance income (expense)	(11,234)	(11,456)	(80,116)	(134,409)	(75,327)	(60,000)	(45,000)	(15,000)	(15,000)
Pretax profit	**254,991**	**369,940**	**335,765**	**398,949**	**353,888**	**345,567**	**401,057**	**515,741**	**627,627**
Income tax expense (enter as a -)	(59,470)	(65,201)	(63,862)	(57,860)	(51,325)	(50,118)	(58,166)	(74,799)	(91,025)
Net income	**195,521**	**304,739**	**271,903**	**341,089**	**302,564**	**295,449**	**342,891**	**440,943**	**536,602**
Net income attributable to minority interests	16,571	12,170	9,007	13,319	11,815	11,537	13,389	17,218	20,953
Contribution to net income (loss) from irregular items	101,383				75,000				
Net income attributable to common shareholders	**280,333**	**292,569**	**262,896**	**327,770**	**365,749**	**283,912**	**329,502**	**423,725**	**515,648**

BALANCE SHEET, € '000s									
Fiscal year	2020A	2021A	2022A	2023A	2024P	2025P	2026P	2027P	2028P
Fiscal year end date	*12/31/2020*	*12/31/2021*	*12/31/2022*	*12/31/2023*	*12/31/2024*	*12/31/2025*	*12/31/2026*	*12/31/2027*	*12/31/2028*
Cash & equivalents, ST investments, and LT financial investments	1,156,947	1,012,335	1,011,126	778,358	339,619	373,643	247,189	271,096	201,222
Inventories	333,377	543,893	616,010	651,853	667,108	619,744	760,776	854,146	1,055,036
Accounts receivable (includes LT portion)	471,432	624,329	772,091	782,851	781,181	760,768	892,587	1,029,309	1,224,822
Tax receivables	33,463	21,901	36,018	34,384	34,384	34,384	34,384	34,384	34,384
Prepayed expenses (includes LT portion)	24,697	27,020	27,758	32,362	34,521	33,680	36,132	42,267	49,968
Other current assets									
Property, plant, & equipment, net	1,148,302	1,268,465	1,662,305	1,746,515	2,076,456	2,502,259	2,957,970	3,381,736	3,772,471
Right-of-use assets	178,542	166,288	221,748	230,764	256,565	272,336	283,394	294,982	308,172
Intangible assets, net	31,000	31,574	79,777	90,665	93,010	98,242	104,855	111,407	117,850
Goodwill	1,219,849	1,231,635	1,719,170	1,659,544	1,659,544	1,659,544	1,659,544	1,659,544	1,659,544
Interests in joint ventures	316,602	322,171	305,127	310,671	0	0	0	0	0
Deferred tax assets	14,405	12,913	18,911	28,770	28,770	28,770	28,770	28,770	28,770
Other non-current assets					250,000	167,000	84,000	0	0
Total assets	**4,928,616**	**5,262,524**	**6,470,041**	**6,346,737**	**6,221,157**	**6,550,370**	**7,089,600**	**7,707,640**	**8,452,240**
Accounts payable	459,618	601,605	781,742	792,512	764,294	758,774	875,156	1,036,203	1,217,258
Short-term debt / revolver	98,157	278,575	472,337	326,375	249,841	200,000	169,968	176,980	252,359
Tax liabilities (current and non-current)	73,922	86,389	121,251	108,904	108,904	108,904	108,904	108,904	108,904
Other current liabilities	7,286	4,755	9,733	15,232	15,232	15,232	15,232	15,232	15,232
Term debt (includes current portion)	1,163,155	1,034,613	1,618,771	1,623,218	1,471,718	1,719,413	2,018,109	2,316,804	2,615,499
Lease liabilities (includes current portion)	171,194	161,917	224,649	238,758	265,521	286,048	307,097	335,073	372,457
Deposit / consignment	127,894	138,828	148,588	151,785	151,785	151,785	151,785	151,785	151,785
Provisions for pensions and other employee benefit obligations	60,189	56,438	40,163	40,929	40,929	40,929	40,929	40,929	40,929
Other non-current liabilities	146,868	163,039	192,517	286,079	286,079	286,079	286,079	245,079	204,079
Total liabilities	**2,308,283**	**2,526,159**	**3,609,751**	**3,583,792**	**3,354,303**	**3,567,164**	**3,973,258**	**4,426,989**	**4,978,501**
Common stock	1,723,440	1,675,413	1,678,812	1,682,908	1,699,266	1,715,922	1,733,405	1,749,085	1,761,368
Retained earnings	779,645	943,198	1,056,642	949,806	1,037,031	1,136,400	1,251,726	1,400,029	1,580,506
Treasury stock	(2,034)	(1,949)	(1,990)	(1,357)	(1,358)	(1,360)	(1,361)	(1,362)	(1,364)
Minority interests	119,282	119,703	126,826	131,588	131,916	132,244	132,572	132,900	133,228
Total equity	**2,620,333**	**2,736,365**	**2,860,290**	**2,762,945**	**2,866,854**	**2,983,206**	**3,116,342**	**3,280,651**	**3,473,738**

STATEMENT OF CASH FLOWS, € '000s					
Fiscal year	**2024P**	**2025P**	**2026P**	**2027P**	**2028P**
Fiscal year end date	*12/31/2024*	*12/31/2025*	*12/31/2026*	*12/31/2027*	*12/31/2028*
Net income	302,564	295,449	342,891	440,943	536,602
Depreciation and ammoritization	141,201	171,417	209,339	251,649	296,845
Stock based compensation	12,358	12,156	12,983	10,679	7,283
Income from joint ventures	0	0	0	0	0
Decrease / (increase) in inventories	(15,255)	47,364	(141,033)	(93,369)	(200,891)
Decrease / (increase) in accounts receivable	1,670	20,414	(131,820)	(136,722)	(195,513)
Decrease / (increase) in prepayed expenses	(2,159)	840	(2,452)	(6,135)	(7,702)
Decrease / (increase) in other current assets	0	0	0	0	0
Increase / (decrease) in accounts payable	(28,218)	(5,520)	116,383	161,047	181,055
Increase / (decrease) in other current liabilities	0	0	0	0	0
Cach from operating activities	**412,161**	**542,120**	**406,292**	**628,091**	**617,679**
Business disposals / (acquisitions)	135,671	83,000	83,000	84,000	0
Additions to porperty, plant, and equipment	(425,544)	(542,829)	(601,472)	(601,472)	(601,472)
Additions to intangible assets	(10,456)	(13,171)	(14,528)	(14,528)	(14,528)
Cash from investing activities	**(300,329)**	**(473,000)**	**(533,000)**	**(532,000)**	**(616,000)**
Long-term debt	(151,500)	247,695	298,695	298,695	298,695
Revolver	(76,534)	(49,841)	(30,032)	7,013	75,379
Interest on leases	12,210	12,501	12,717	13,104	14,566
Lease repayments	(48,735)	(54,197)	(58,387)	(62,684)	(68,394)
Common share issuances / (repurchases)	3,999	4,499	4,499	4,999	4,999
Minority interest share issuances / (repurchases)	328	328	328	328	328
Common dividends	(278,524)	(184,543)	(214,176)	(275,421)	(335,171)
Dividends to minority interests	(11,815)	(11,537)	(13,389)	(17,218)	(20,953)
Increase / (decrease) in other non-current liabilities	0	0	0	(41,000)	(41,000)
Cash from financing activities	**(550,571)**	**(35,095)**	**254**	**(72,184)**	**(71,552)**
Impacts of foreign exchange transactions					
Net change in cash during period	**(438,739)**	**34,025**	**(126,454)**	**23,907**	**(69,873)**

Appendix 2: Oil & Gas Competitive Landscape, Detailed Data

Market share rank and competition, detailed breakdown				
	Fuels	LPG	Bitumen	Main Competitor
EUROPE				
France		3		DCC (Butagaz)
Corsica and Channel Islands	1			Total Energies
Spain		Top 10		Repsol
Portugal		3		Galp
Switzerland		1		Evicor
CARIBBEAN				
Antigua	2	1		West Indies Oil Company
Bahamas	1			Parkland (Sol)
Barbados	2	1		Parkland (Sol)
Bermuda	1	1		Parkland (Sol)
Caymen Islands	1	1		Parkland (Sol)
Dominica	1	1		West Indies Oil Company
French Guyana	1	1		Total Energies
Grenada	1	1		Parkland (Sol)
Guadeloupe	1	1		Total Energies
Guyana	3	1		Guyoil
Haiti	1	1		Bandari
Jamaica	4			Total Energies
Marie-Galante	1			None (Rubis monopoly)
Martinique	2	1		Total Energies
St. Barths	2	1		Parkland (Sol)
St. Lucia	1	1		Parkland (Sol)
St. Vincent	1	1		Parkland (Sol)
Suriname	5	1		Shell / Gow2 (joint 1st place)
Turks and Caicos	1	1		Shell

Appendix 2, continued

	Fuels	LPG	Bitumen	Main Competitor
AFRICA				
Angola			1	Local firms
Botswana		2		Afrox
Cameroon			1	Local firms
Djibouti	2			NOC
Ethiopia	> 10			National Oil Ethiopia
Gabon			1	Local firms
Guinea			1	Local firms
Kenya	3	3		Shell (Vivo)
Liberia			1	Local firms
Madagascar	3	1		Shell (Vivo)
Morocco		> 10		Afriquiagaz
Nigeria			1	Local firms
Rwanda	4	4		Société Pétrolière Rwanda
Senegal			1	Local firms
South Africa		2	1	Afrox
Togo			1	Local firms
Uganda	5	5		Total Energies
Zambia	4	7		Total Energies / Mount Meru

Sources: Rubis, Total Energies, Vivo, Puma Energies, Oryx Energies, Sol Petroleum, M-Kopa Labs, F&L Asia, Google Maps Autoridade da Concorrência, Comision Nacional de los Mercados y la Competencia, Selectra, Zambia Energy Regulation Board, Kenya Energy & Petroleum Regulatory Authority, EDPRwanda, Competition Commission South Africa, Botswana Energy Regulatory Authority

DISCALIMERS AND DISCLOSURES

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