



Annual results 2019

Thursday, March 12, 2020

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Operator: It's your turn.

Jacques Riou: Ladies and gentlemen, good morning, and thank you for your time. So, I am aware that this exercise is a bit special for two good reasons. The first one is, of course, the coronavirus pandemic for which we find ourselves in front of a camera, whereas we had the pleasure to be among you for so many years, and of course, the next meetings will be again in your presence. The second reason why this exercise is a little bit particular is that we are going to talk about the year 2019, and that, in many minds, the thoughts go rather on the current shocks that the economic markets are undergoing, the real economy, as well as the financial markets, and therefore, I have a little bit the feeling to do an exercise, with Bruno, which has a little bit of a theoretical side, considering the present circumstances. But anyway, we will present this 2019 activity, and we will have the opportunity, eventually, to draw some perspectives on the months to come, taking into account what we can know about the economic or financial situation that we are facing.

So, first of all, in a rather traditional way, I am going to comment on the few major events that have marked the development of the Group over the year 2019. The first event is naturally the entry into East Africa through the acquisition of two companies in Kenya. These two companies are called KenolKobil and Gulf Energy, we have already talked about them, especially about the first one. They have an important size in their markets, and from the outset they make us a leader in the distribution of petroleum products in East Africa, not only in Kenya, but also in the neighbouring countries of Ethiopia, Rwanda, Uganda, Burundi and Zambia. It is a region with very large population, of the order of 200 million inhabitants, the population is growing at a high rate of about 2%, and the oil markets are also growing at a high pace of about 4%. The oil retail and marketing segment, like ours, counts indeed on the population growth as a basis for its development. This is a significant investment, which exceeds 400 million euros overall, and which gives you an idea of the importance we attach to investing in this African continent.

Another, much smaller investment is a new import terminal in Suriname. Suriname is an ex-Guyana country of Dutch origin. It's a country whose population is growing, it's a country that has mines, that has an industry. It's a country that we had entered commercially and whose market has interested us for a long time, and we found the possibility of building an import terminal there. We have started distribution activities of petroleum products, and we are pleased to note that from the first year, we will have a positive profit contribution on this investment, which is not always so simple.

The third point, which is of particular importance, is the signing of a partnership with an investment fund, an American infrastructure fund, which concerns the development of Rubis Terminal. So, what is it about? As you know, Rubis Terminal, which has been growing steadily over the years, has seen its development largely overtaken by our other business, that of Rubis Énergie, which is a business of distribution or retail and marketing of petroleum products. The reason for this was twofold. On the one hand, for many years, we did not have the financial capacity to acquire complete, developed terminals, which are often investments of several hundred million. Now that this period is over, due to the Group's growth, this point is no longer a particular obstacle. There was one last obstacle, one last difficulty, and that was the price at which these assets have been traded for many years, being a hunting ground, I would say, for infrastructure funds. In general, the prices are relatively high, because of the levels of debt that

this type of transaction requires. We therefore had a frustration, a difficulty to resolve, which was to maintain a traditional level of debt for us, extremely moderate for the whole Group, while at the same time being able to access a higher level of debt, a higher level of leverage, while remaining reasonable, for this Rubis Terminal activity. The solution, which is the only one, the solution that has been found is to associate ourselves with a partner, in order to develop this activity, while keeping control of it, and in order to be able to allocate to it a level of indebtedness that is different from that of the whole Group. The partner we have found is an extremely well-known American infrastructure fund with activities on all continents, and which has shown particular interest in our business, that of terminalling. Beyond that, our objective is naturally to reinvest in these activities, which we have known for a very long time, which we have mastered, and which we believe still have an excellent future because, whatever the breakthroughs in alternative energies, all the studies show that oil products will continue to grow in volume, not in share, but in volume, over the next few decades. And we have a role to play in this area.

We will now move on to the key figures for the year. Traditionally, as you can see, these figures are of very good quality. I will quickly go over the revenues, which you know are not extremely relevant in our business because they capture the nominal value of petroleum products. But revenues, whether in real terms, are up sharply, and on a like-for-like basis, they are affected by a number of changes in standards that we can talk about. In terms of EBITDA, the increase is very strong, +16% and +11% on a like-for-like basis, with EBITDA of 578 million, 580 million. Income from operations before non-recurring items was up 17%, and up 11% on a like-for-like basis. Net income, Group share, was up 23% to 307 million, and 15% at constant consolidation scope.

So we will have to come back perhaps, I think Bruno will, to the different standards that have been applied in this new fiscal year 2019, since there is the entry into force of the new IFRS 16 standards that I think you should be familiar with, and secondly the application of IFRS 5 standards. The project I have just told you about concerning Rubis Terminal being particularly advanced, without being concluded at the time we are talking about, it was necessary to proceed with an accounting reclassification consisting of placing the assets of Rubis Terminal in activities intended for sale.

In terms of investment, we continue to make a sustained effort to invest 230 million euros, which is very similar to last year. We continued to increase our equity. And finally, as our financial policy leads us to do every year, an extremely moderate debt ratio of 690 million, which represents less than one and a half times EBITDA. So this is perfectly in line with the standards that we have had for many years.

In terms of cash flow, starting from a negative net cash position of 694 million in 2018, self-financing capacity is up very sharply to 524 million, and you have classically the various uses or allocations of this capacity, a change in WCR that is increasing by a bit less than sixty million, largely explained by the integrations of KenolKobil, which has a strong impact, since it is about 30% more products sold. Investments in Rubis Terminal and Rubis Énergie and Support & Services, which amounted to 230 million. Acquisitions of financial assets, and in particular the acquisition of Gulf in December last year. The dividends for the shareholders and finally a reclassification of the debt linked, but we will come back to this, to the Rubis Terminal operation.

So I'm going to hand over to Bruno who is going to detail the operations of Rubis Énergie, which is our main subsidiary, over the year.

Bruno Krief: Thank you, good evening. Let's continue with a photograph of the state of Rubis Énergie as of December 31, on a graph that you are familiar with and that allows us to provide you with the state of both the distribution of volumes on the one hand, the commercial margins that are achieved in each of the areas where we are present, and also the new indications - elements on the risk, on the exposure to currencies, and let's start with these if you like, because we are in turbulent markets. It is indicated, you see in the little bubble slightly north, northwest of each plan. In USD, we achieve 48% of the results at net contribution, I'm talking about net contribution after tax, so that's the biggest part, that's the main currency of the Group. The euro represents 22% of contribution, and the others, with some exotic currencies, including the Swiss, the livre, the Nigerian naira, the Kenyan shilling and the Djibouti franc, including the Haitian gourde and the South African rand, we are at 29%. Within this 29%, two currencies - Madagascar and Haiti - accounting for 10% and 8% of the profit contribution respectively. This makes for a fairly homogeneous and diversified group. If I go back to the gross margin, you can see that the Caribbean zone represents nearly 40%, 39%; Europe 28%, essentially LPG, and Africa 32%, LPG and more and more, distribution networks, petroleum products, bitumen, and this is going to increase with the addition of new territories like East Africa.

As for volumes, you can see that the weight today is split between Africa and the Caribbean zone, 42% each, and in the middle, the LPG volumes this time, almost LPG, in Europe. So that's the situation of the assets and their contributions.

You can also see that we are always positioned in niche markets. We have significant market shares and market positions that place us among the top three players and often number one in the markets in which we operate. So this gives this diversified, protected group a good coherence and organization with regard to risk, which, as you can see, is well diversified, I would say even more than that, atomized over some 23 or 24 autonomous profit centers.

So if I continue with the results of Rubis Énergie, you have first of all the volumes marketed last year, which we have communicated last January, so 4.4 million volumes in 2018, which have increased to 5 million or 5.5 million, a 23% growth all products combined and in the current structure, so these are the reported figures. So stability on a like-for-like basis which is actually explained if we take up the three geographical areas. You have Europe which was slightly ahead by 2%, with France, Portugal I would say, and Spain which were rather positive, while the Channel Islands, and Switzerland were a bit on the back foot, especially for climatic reasons, which affected the volumes of heating oil, especially on the Channel Islands, and LPG consumption, mainly in Switzerland. So there you have it, for Europe.

Concerning the Caribbean, you noted an overall stability in volumes, with I would say that there was a difference in the French West Indies with some commercial volumes, large volumes I mean, with a modest margin, which were a little shifted, which explains this stability in the Caribbean. If we correct for these commercial contracts, well (delivery of commercial fuel oil I would say) we are rather at 4%, which is in line with past growth in this area.

Finally, Africa was down 2%, mainly due to decline in bitumen compared to the 2018 fiscal year which was a bit exceptional due to the preparation of elections the year before, and that had led the government to open up significant budgets to come up with good results vis-à-vis its constituents, and that had inflated volumes in 2018, a bit exceptionally. Hence, a high comparison base that generates that pullback in 2019. Finally, on some commercial contracts, particularly in Madagascar, volume declines that explain, in total, this - 2%.

So, it's true that, what I would like to give you as information, is that on the whole of the volumes if you want, you have volumes which have a rather resilient trend, I would take the service station networks, and the LPG for example. These two segments represent some 56% or 60% of the volumes, and nearly 75% of the gross profit, and these two segments, which are stable and resistant, generally generate growth of around 2 to 3%, and this was the case last year, +2%. And I would say that depending on the geographical areas where we are present, you know that Europe has rather stable growth of around 1 to 1.5%, the Caribbean of around 1.5 to 2%, Africa, we are positioned on markets that are a little more growing, we can find ourselves tomorrow with 3 to 4%. Taken as a whole, we are capable of generating growth of around 2 or 3% in the long term, given our reinforced presence in developing areas: economic development and demographic development. So there may be fluctuations in volumes from one year to the next, from one quarter to the next, due to the volatility of certain commercial segments, but on the other hand, on the main ones, which are LPG, service stations, it's 75% of the gross profit, it's quite stable, and stable growth.

So that's what I wanted to tell you. Otherwise, the overall gross profit reached 677 million, up 15%, and you find the 9% growth on a like-for-like basis, given the stability of volumes. On the next page, you have the graph, I would say, before the last prices. So you have here a quotation of ultra light, ultra low sulphur diesel, so it's our index finally, taking into account all our markets and the current predominance of fuel oil and service station networks, more representative than LPG was 10 years ago, So we are more inclined towards fuel oils than LPGs, although LPGs represent 40% of total volumes, so we chose this index, which is obviously strongly correlated with the price of LPGs, and is in line with the price structure of oil products. So you have a year 2019 where prices have fallen by an average of 25% in dollars, compared to the previous year, generating, since it's a rather favourable environment I would say, a unit margin¹ increase, at constant scope, of 9%.

The following graph, which is included in the document, is interesting in the sense that it shows how the gross profit behaves in relation to the prices of oil products.... You will note, all this to put into perspective the very erratic movements that we have been experiencing in recent days, where we have experienced in recent weeks, a drop of more than 30% in oil prices, but if we go back a few years, I will take the year 2015, where we had experienced a drop of 36% in oil prices on average compared to its previous year, the margins had increased by 15%. Similarly, in 2019, I told you that, here we are in euros, oil prices fell by 21% in euros, and generated a 9% increase in the margin in euros at constant scope. So you can see that, similarly, if I take 2014, when oil prices had also fallen by 15%, margins had increased by 2%. So we are, as you will recall, in an environment that is quite favourable in terms of gross profit obviously, and

¹ Unit margin = gross profit per unit of volumes sold

advantageous for the consumer in general, who sees purchasing power increase in relation to the consumption basket of petroleum products.

As for the result, you have here the total result of Rubis Énergie, which reaches 324 million, i.e. an increase of 17% published, and 10% on a constant scope basis. The perimeter effects, I remind you, concern KenolKobil, integrated since 1 April 2019, and LPG distribution assets in Portugal, which had been bought from Repsol at the end of 2018. So you have good growth in current operating income. In Europe, we have 8% decline in profit, we'll see on the next page. The Caribbean, on the other hand, is up sharply, so you have, especially in this diagram, the two ways of presenting the 2019 results. You have them in the middle column, you have them before IFRS 16, and then you have in the right-hand column, you have the published figures. So what is compared there in this chart, you have the 2019 before IFRS 16, which is compared to 2018. So I'll go back to Europe is down 8% (-16% at constant scope), the Caribbean is up 34%, and Africa is up 3.

If we go into detail in the form of a bridge, you have the contribution in 2018 which was 275 million, to arrive at 324 million in 2019. Here we are comparing, we are before IFRS 16, so this gives us in fact, on Europe, a drop of 16% that I have indicated to you. The 16% drop is, for the most part, generated by provisions made for pension commitments on our Swiss subsidiary, which was an element that had already been generated in the first half of the year, and which is linked to the discounting of pension commitments at an almost zero interest rate, and which requires the passage of a provision, which therefore reduces the contribution of Switzerland to the operating income. We have, in Portugal, not for reasons of volume or gross cash flow, but rather for the cleaning up of accounts receivable that have fallen below the EBITDA, therefore provisions that explain that the constant perimeter is down by 10 million, on a total amount of 62 million, while the new perimeter, concerning the assets bought from Repsol, contributes 5 million over the period.

Then you have the Caribbean, which, on a like-for-like basis, is up 34%. Here you have significant margin² effects throughout the zone, you have a better market development regarding gross profit particularly in Haiti. You also have negative elements in the Bahamas following hurricane Dorian last September, with increased competition in the aviation sector in this Caribbean area, Western Caribbean, which corresponds to our segment. In addition, you had in Jamaica rather exceptional elements with the recovery of a tax that had been levied by mistake by the government, so there was a rebate, a rebate that contributes up to 4 million on the 2019 result.

Then you have Africa, the constant perimeter, which, in total, contributes 121 million, up by 3.6 million. I would say that all the countries are contributing, their contribution is growing, with the exception of the bitumen contribution for the reasons that I have indicated to you, the decreases in volumes that we have observed in Nigeria and Senegal as well, where the economic situation meant that the budgets for road infrastructure were down in 2019. So, apart from these cyclical elements affecting bitumen, all the countries were experiencing good growth.

² Margin here refers again to gross profit per unit of volumes sold

Finally, you have the perimeter effect in Africa – KenolKobil - which has been integrated since 1 April 2019, and which contributed 12.5 million euros. So we explained to you that this is a first year of integration, as is usual or often the case when we buy a company, especially since it was a company that was under-managed over the last few years, we had to make provisions, we had to rework the level of contracts a little, we had to review the profitability and the risks associated with certain segments of the market, which led us to stop a certain number of operations, and I would say that the 12.5 million that you see here over nine months of activity does not fully reflect our expectations in terms of annual contribution based on the price that we paid. We paid for this investment on the basis of 6-7 times EBITDA and the contribution we should have over 2020-2021 should more than make up for that, and we should be back towards the expected levels, with significant increases from fiscal 2020 and 2021. Finally, for the financial year, you have the positive impact of the introduction of IFRS 16, which, as indicated, amounts to 3.3 million.

On the next page, you have the cash flow indicators, 332 million for Rubis Énergie, up sharply by 32%, you have the investment - 109 million, which is spread over all the countries where we operate, i.e. 23 profit centres, and which is equally divided between growth investments, maintenance investments and new installations of the type described earlier, in particular the construction of a depot in Suriname. So that's Rubis Énergie, the main contributor to Rubis.

So on Rubis Support & Services, which you know, and which has activities, in fact, complementary to Rubis Énergie, with transport, ship transport, general supply, refining with SARA, and trading operations, trading both fuel oil, bitumen products, and LPG. Here, we have a 2019 contribution of 108 million in terms of EBIT from 87.6 in 2018. We have a SARA contribution that is up sharply, at +22%, and contributing 40 million to the 108 million of the 2019 total. We have the contribution from trading and shipping operations in the Caribbean area up 3% to 42 million. There are also some assets that were bought during the year, still in Support & Services, which contributed 1 million over the year, you have bitumen operations, since bitumen, we are present both in downstream and particularly in West Africa, what we just described before, that is to say Nigeria, Senegal, Togo, Cameroon, so there it is the final distribution. Here, we are in what we call our upstream, with the supply of bitumen to third parties, since we have ships that can load cargoes from Greece, Turkey, Spain or Sicily, and deliver this product to North America or South America. So, these operations generated a good contribution last year, 10 million to be precise, making the bitumen set over the year generated 38 million of net result this time over the whole 2019, and it is up compared to 2018.

We also have logistics activity in Madagascar that was part of the subsidiary we bought two years ago, Galana, which operates a storage facility for petroleum products and invoices product flows for the entire industry, particularly for imported products. This activity generated 16 million in current operating income last year, slightly down, admittedly, compared to 2018, but still an activity with excellent profitability.

Finally, the IFRS 16 impact in this branch amounts to 300,000 euros. So here you find the growth, the very good growth engine that Rubis Support & Services represents at 108 million (EBIT), so + 24%.

Let's continue with the usual indicators, cash flow is at 115 million, a very strong increase, with investments mainly for the refinery; the refinery requires regular maintenance and adaptation investments of around 30-40 million and you can see that we are there this year. And we also

have investments linked to the acquisition of new vessels, and we have investments in development, in asset integrity linked in particular to the installation of scrubbers on our vessels, which allow us to clean the dust and NOX generated by the fuel oils, and to comply with the new IMO 2020 rules. So that's where the 57 million investment at Rubis Support & Services is positioned.

We come to Rubis Terminal, which you know well, with its 3.5 million cubic metres of capacity, its distribution over four countries, its diversification between fuel oils, chemical products, fertilisers and oils. This year, after a year, I would say, 2018, which was affected by various factors, we are back on the growth path this year, with a growth of 6% of the current operating result, which is made up of the revenues, the storage rents, which make this branch profitable. Revenues are up by 6% overall. Within this, you have fuel oils which have resumed growth of 4%, chemical products + 3%, fertilisers + 2%, and oils and molasses 2%. For petroleum products in France, we noted a stability in revenue, after a year that was much more uneven, in 2018. I would say that this stability was also built by rebuilding the client portfolio, you will observe that SAGESS, which is the organisation in France that manages strategic stocks, has become an important client, representing some 24% of Rubis Terminal's oil revenues, compared with 17% in 2017. Similarly, non-oil, which is also an area that we have developed, represented 23% in 2017, and in 2019 represented 28% of total revenues. So for fuel oil, we are at +4%, for chemicals, we are at +3%, with Rotterdam and Antwerp which are up by 2% in sales, the occupancy rate close to 100%, notably after capacity extensions on Rotterdam which have therefore generated additional revenue. And in France, we also have a good performance in chemicals, up 4%. Fertilisers are stable this year, but I would say that they are maintained at a high level, and we have a very strong position in the North, North-West part of France, in terms of liquid fertiliser imports. And oils and molasses have benefited in 2019 from certain spot contracts, which have enabled a 2% growth in revenue.

Below you have the breakdown of volumes, rents by product category. Oil still represents 55%, it is dominant, but chemicals are increasing to 37% and will continue to increase, with fertilisers and molasses representing just under 10%.

On the next page, you have the result (EBIT) of Rubis Terminal which is 49 million against 46, so we are back on the path of growth, with a cash flow which is in line with this growth, and investments of 62 million, details of which we will provide later.

A detail on the structure of the current operating result, starting from 54 million in 2018, France contributes 44 million, which is almost stable, Antwerp contributes 6.5 million for its 50% share, slightly down because we had a very exceptional year in 2018, linked to the very low level of the Rhine, which generated a lot of revenue in this area in Belgium. Zeller is a small subsidiary active in the trading of petroleum products and bitumen that we bought three years ago, which is developing well, and which is held in partnership with the oil company Phillips 66. The Rotterdam depot generated 5.5 million EBIT, up 1.8 million on last year, so that's a strong contribution, particularly with the commissioning of new capacity. Turkey, which was in a loss-making situation last year, is now back in the black. In Turkey, we had a year without contango, and I would say that, despite the absence of contango, we had a growth in revenues. There were still operations on Iraq, and then breakbulk operations, i.e. split of products, most often on the Mediterranean rim, so large ships empty their bunkers in the depot and allow smaller

ships, smaller coasters to bring the product in neighbouring geographical areas, that can be Egypt, that can be Cyprus, that can be the whole Mediterranean.

Finally, you have the positive impact of the IFRS 16 of 1.2 million to bring us to 56.7 million of current operating income, thus up 6% compared to 2018.

So on the recent events, what we can say is that Turkey, which is very well placed in terms of contango, it is a deposit of traders, we have obviously observed for a few days a strong contango because of the collapse of oil prices, and, associated with that, a very active demand for storage. Saudi Arabia's decision to increase its oil production by 1.5 million barrels/day will obviously create overproduction compared to current demand and will create a significant gap between spot prices and future prices. So our depot will obviously, as in the past, be ready to receive all kinds of its trader clients who are actively coming forward at the moment.

So here we also wanted to give you an update on the joint control operation, the partnerships with the I Squared fund, to give you some summary information, purely financial. You have first of all the passage from enterprise value to equity on the basis of a retained value of one billion euros for the enterprise value, also on the basis of a refinancing agreement, i.e. the implementation of a financial leverage of 5.57 times the EBITDA, which corresponds to 500 million in debt, and by integrating the adjustments, notably minorities on the valuation of the equity, we arrive at the retained price, with a few adjustments, of 422 million for 100% of the equity. This 100% of the equity translates into a cash inflow for Rubis of 185 million, so these are the cash flows for Rubis from the exit of the 45% of Rubis Terminal. We will have the effect of the re-leverage of Rubis Terminal's balance sheet on this occasion, which will distribute both, which will reimburse the 97 million shareholder loan to Rubis, and which will pay its shareholders 136 million in exceptional dividends. All above mentioned and in addition, the deconsolidation in Rubis' balance sheet of all existing debt (of Rubis Terminal), known at 31 December 2019, will have a net impact on Rubis' consolidated balance sheet of 653 million.

Finally, if we take the pro forma balance sheet of Rubis as at 31 December 2019, so we have the current situation of 637 million, the one known under IFRS 5, i.e. after deducting the assets and liabilities of Rubis Terminal from the consolidated Rubis balance sheet, so we have 637 million in net debt. Following the receipt of the 185 million and the special dividends and advances from Rubis (Rubis Terminal) to its shareholder, we will have 219 million of pro forma debt, pro forma net debt in this operation, which, when compared to the known EBITDA for 2019, an EBITDA in IFRS 5 form, will give us a debt ratio of 0.4, as you can see, an extremely modest level of debt that leaves us with the full capacity to continue the strong development of Rubis that you have seen in the past.

Finally, you also have a summary table of the use of the funds because you have, on the side of the cash inflows, you have what is planned, that is to say, the issue of a seven-year bond for an amount of 410 million, so it will be done either in the form of a bridge loan over a period of 12 months maximum, which will be refinanced within a year by a market operation, but the amount is indeed 410 million. And, as a counterpart to that, you have the refinancing of both the shareholder loan, i.e. the advances that Rubis lent to its subsidiary on the one hand, and the exceptional dividend, which Rubis Terminal will pay, will pay to its shareholders, so in total, for 233 million. In addition, the 410 million will be used to refinance the current senior debt held by Rubis Terminal, at the level of the parent company, and partly at the level of its subsidiaries. The adjustment will be made afterwards, there are expenses linked to this

operation, and the cash existing in the balance sheet of Rubis Terminal today, to arrive at a total of 447 million of total uses and resources of these operations. So that's the point we wanted to make about this operation, which is planned to be closed during the second quarter.

You have here a summary of the investments made in 2019 with a comparison of 2018, with Rubis Énergie, some 110 million in investments that are divided between maintenance, adaptation, and bringing up to standards, so 64, and development investments, organic growth, for 46 million. You have 57 million in investments made in the Support & Services branch, which include some 40 million in investments made in SARA, the refinery, and the rest in investments, as we've talked about, particularly in ships, and adaptations of ships. Finally, you have Rubis Terminal, which invested some 63 million over the financial year, with, again, maintenance investments of 18 million, new projects in France, 14 million, and extensions in Rotterdam for the most part, and some investments in Turkey, to the tune of 31 million. This gives us a total of 230 million invested compared to 233 million last year.

Finally, the figure we have indicated here, which is the free cash flow after interest, taxes, cash consumption in terms of working capital requirements, and maintenance investments, you can see here the strong generation of free cash flow which goes from 232 million in 2018, to 345 million in 2019, and which thus shows the formidable quality of Rubis' results and balance sheet.

This is what we could say about the results of the Rubis group. We also provided you with some data on ESG. ESG is an important element in the functioning of a company today, and especially in its strength. So ESG is an E for Environment, an S for Social and a G for Governance.

On the environment, the leitmotiv is the carbon footprint. It's a project we've been working on for a few years, and we've managed to provide, I would say, a complete assessment, with figures, of the Group's carbon emissions, with the help of a specialised firm. After two years of work, we are able to collect and process all the carbon emitted by all the Group's subsidiaries. And this includes the transport part, the real estate part, and obviously all the Group's industrial facilities in the 29 countries where the Group is established. So it's a lot of work, it took almost two years, but we are now in a position to answer all these questions, and above all to be able to provide these indications, this information to the market. On this occasion, we set up a specific working group to manage and anticipate all the actions linked to the carbon emission reduction objectives. So with a budget, and above all with active forces. It is important to know that, as far as the environment is concerned, the Rubis group and its installations are subject, whether at Rubis Terminal or Rubis Énergie, in France from the beginning, or in Europe from the beginning, to the Seveso regulation which is already an extremely restrictive regulation. And even if these regulations or constraints don't exist abroad, we apply the Seveso rules, whether in Madagascar, Haiti or the Bahamas, i.e. our benchmark is the European regulation, which we apply, even if this type of provision doesn't exist elsewhere. So we are always, what we consider to be, at the highest level in terms of safety and practices linked to environmental risk. I would also say that, since we have been here, we have not had any major industrial accidents. So this is an important point in everything that concerns the environmental aspect. And once again, we are investing, and you saw it on the previous page, we are investing, this year 2019, 123 million in safety, maintenance and adaptation of the installations.

In terms of the social climate of the company, there has not been a known strike since perhaps 1968, so it's been quite a few years. I would also say that the social climate is excellent. I would

also say that an essential indicator in this activity, or at least one measure, is the turnover of personnel in the subsidiaries, which is very low, which shows the attachment, the loyalty of the personnel to the Group. Finally, I would say that as far as gender diversification is concerned, 31% of women hold positions of responsibility in the Group. This is certainly progress, but it is not enough. We are in professions that are historically not very feminised, but wherever we can in the head offices, and more and more, wherever it is possible, we have women heads of depots, we have them in Jamaica, we have them in France, we have them in the Bahamas, wherever the opportunity arises, and well, these positions of responsibility are offered to them. So gradually, we're moving women into senior positions in the Group.

Finally, as far as governance is concerned, one way of dealing with it is to integrate new criteria into the remuneration of the General Management, criteria linked to CO2 emissions, criteria linked to safety, and criteria linked to integrity, to ethics, with in particular, as you know, we have set up systems of education and training to fight corruption. We are spread over 29 countries, as you know, and some of the countries in which we are present are ranked at the bottom of the table of international benchmarks, and our task and our duty is to progress in this direction. So our subsidiaries are educated, we have training, we have Compliance Officers now in each of our subsidiaries, and this anti-corruption programme is active, and we consider that it is essential for Rubis. So these were the actions and positioning of Rubis regarding ESG. Perhaps we can say a word about the outlook?

Mr Riou: So let's speak about outlook, a very interesting exercise these days. What would I have told you if we had met a few weeks ago, or even a few days ago? Well, listen, I would naturally have told you that the 2019 financial year was, as you have seen from Bruno's presentation, an excellent year, and that it saw all the Group's activities develop at a sustained pace. We can even add that there are two assets, two activities that have not given their full potential. As Bruno said, it's our Turkish platform, a storage platform, and it's Kenya and the East African countries. So it is always good news to have good results when there are a certain number of engines which have not given their full potential. I would also have told you that we have had an excellent start to the year, since we have continued to see our volumes rise since the beginning of the year, and that the configuration of falling international prices, I'm talking about before the extremely violent and recent fall, and that the fall in international prices is therefore extremely favourable to the defence of our margins, and to the capacity that we have to lower our prices to our customers and to make our customers even more solvent. In the end, this remains true.

Now, if we integrate into these perspectives the extremely recent shocks that everyone has in mind, several points should be highlighted

Firstly, on the coronavirus pandemic, this is a matter that we naturally take extremely seriously, and all measures have been taken with regard to our employees. That's fine. I don't think there's any need to go into detail about them, they are taken in all companies I imagine at this time. The point I wanted to stress is that our entities are characterised by a great dispersion, in the sense that we are in 35 countries, that many countries are more or less small and are not in contact. So a pandemic such as the one we are experiencing can, in a short space of time, have great difficulty in affecting a large part of our activities and our employees. So there is a natural protective effect.

Secondly, on this subject, our activities, our different countries, are completely autonomous. They are managed in an autonomous way and they do not correspond to an integrated value chain, but rather to an aggregation of activities that are ultimately quite comparable. So, no specific difficulty that is particularly heavy on one entity can have an impact on the other entities of the Group, and this is another reason to be quite calm on this aspect of the pandemic that we are currently experiencing.

The second group of concerns that we could all have together: what impact can shocks to the real economy and shocks to the financial markets have on our activities? So this is not the first time that we have experienced, for 25 years at least, in the Group, that we have had extremely violent external shocks. Each time, we have managed to get through these periods in an active manner, naturally, but serene I would say.

What are the strengths in this area? The first strength is the products we sell. These are energy products. These are basic products, essential products that are distributed very widely to extremely varied customers, from individuals to large industries, to markets that are extremely varied in their structure, whether they are regulated or not, and to geographies that are just as varied. So we have always found our markets to be very resilient to various external shocks. Naturally, certain segments are a little more sensitive in the case we are currently dealing with, I am thinking mainly of aviation, and I am thinking of ship bunkering. These are segments which obviously exist for us, and have their value, but which are relatively marginal, especially in terms of gross profit, since, as you can imagine, it is rather on retail sales, LPG sales, as Bruno pointed out, that our Group is based. Volumes declines, as we have noted on many occasions, when they occur, are extremely limited. This is the first point.

Secondly, what about prices? In our business, we buy products on the international markets at prices, naturally, to distribute them. So any drop in international prices is an extremely positive factor for us and for our customers. And in this respect, it should be noted that this factor is very often greater than the factor of variation in the tonnages distributed. I was of course talking about Rubis Énergie and the distribution of petroleum products and LPG. As regards Rubis Terminal, and therefore the storage activity, we must be aware that the reduction in demand and the increase in supply means that all the petroleum product storage facilities in the world are filling up at a fairly accelerated rate. I can't tell you that contracts are signed in 24 hours, that's not the point of course, but it's a configuration which is completely favourable for this type of activity, so Rubis Terminal too, as I imagine, I hope, and we feel, our Turkish platform should benefit from this effect over the weeks and months to come.

Overall, once again, we have already been through this kind of disruption or turbulence, and the fundamental characteristics of our businesses mean that we are quite calm about the weeks and months ahead.

I have a third point to add on the subject, of course, and that is that Rubis' balance sheet, as always, is an extremely solid one, and it's a very long-standing policy. We have very little debt. We have more than 350 million confirmed credits. So we have very little debt and are an extremely liquid group. I would add, as you saw during Bruno's presentation, that the completion of the operation with our partners in the I Squared infrastructure fund will almost completely de-leverage the Group. Entering a crisis with solid, resilient markets, with extremely

low or even zero debt and assured liquidity, is an extremely solid position. And we have verified, in the last few decades, that entering a crisis in this situation, generally speaking, allows us to come out of it even stronger since, as you know, the Rubis Group has an extremely solid and successful practice of external growth, and that it is an exercise that we will, of course, consider with great attention in the months and, of course, as usual in the years to come. So you can see that I am extremely confident, and naturally we are maintaining our policy of dividend growth. We are going to propose to the General Meeting to increase the dividend per share by 10%. That is what Bruno and I wanted to tell you.

We are delighted to answer your questions, with great pleasure.

Questions and Answers

Operator: Ladies and Gentlemen, if you wish to ask a question, please press *1 on your telephone keypad. Please ensure that your line is not muted. I will let you know when you can ask your question. Again, press *1, and we have a question from the line of Mr. Charles Scotti from Kepler Cheuvreux, please, sir, it's your turn.

Charles Louis Scotti, Kepler Cheuvreux: Yes, good evening, Charles Louis Kepler Cheuvreux. I have a few questions please. The first one, could you remind us of the exposure, in terms of volumes, to the aviation and road traffic sector in Europe. My second question is, when I look at your graph of the evolution of the unit margin in relation to the price of raw materials, the drop in price this year is quite similar to the 36% drop that you have already experienced, and the unit margin has increased by 15%. Are there any geography/product mix reasons that could explain a different evolution of the margin this year? And my third question is on the spread on the future barrel price, is that enough to trigger demand from traders and strategic storage from some states? And finally, can you give me an idea of the percentage of the company's bottom line that is exposed to countries that are very dependent on the evolution of the price of oil, and I have Nigeria in mind for example? Thank you very much.

Bruno Krief: The volumes of aviation in the Group as a whole must represent less than 10% of the total cubic metres indicated to you, i.e. out of the 5.5 million achieved, or the 6 million on an annual basis, so we are between 5 and 10%. This is what aviation represents. We are not present in aviation in Europe, nor in Africa, because in Africa, where we inherited a situation, that of KenolKobil, we cut all the contracts between June and July last year, which were poorly drawn up and which generated losses. Today, aviation is confined to the America-Caribbean zone. So it's not the same profits either, as it's a very competitive market, the profits are, I would say, a third of the profits that we make on the service station networks. When, on average, on service stations, you make 90 or 100 dollars per cubic metre, in aviation, you are between 20 and 30 dollars per cubic metre. So there you have it, to give you a picture of the aviation segment. Then I didn't understand your question about the 15%. You were told that the Group's unit margin for the financial year had increased by 9%, so perhaps I didn't quite understand the...

Jacques Riou: Ah, you are talking about the change in 2016 or 2017...

Bruno Krief: Ah sorry, on the historical development.

Jacques Riou: I think it's a bit difficult to answer this question... What's certain is that product price reductions generate margin increases. The period is a bit chaotic to have such precise

calculation rules, but indeed, margin increases of around 10 or 15% are quite frequent in this type of configuration. They are not higher because we naturally limit them, and the markets also lead us to limit them. And there is no question of taking advantage of certain exceptional price configurations vis-a-vis our clients. There was a point on spreads, on crude oil products, but we also have wide spreads, spreads have gone back into contango on distillates. From 3 or 4 dollars per month, you have windows that open for international traders so that they can store, in our tanks for example. So we have passed the threshold at which this type of operation becomes profitable for traders. In other words, in practice, it allows the stockist to be paid and to cover the financial costs, and to ensure a profit for the operator.

Bruno Krief: So if the contango was relatively small between January and February, it did not allow traders to carry out these operations of buying, storing, insuring, transporting and unwinding the operation on the future market. Today, this is clearly the case, since between March and December deliveries, there are differences of 40 to 50 dollars, which largely justifies this type of operation. And you only have to listen to the phone ringing at Rubis Terminal in Turkey, as it is really the main depot, we are well placed for this, to welcome this type of operators.

Operator: Thank you. The next question comes from the line of Mr. Jean-Luc Romain from CIC Market Solutions. Sir, it is your turn.

Jean-Luc Romain, CIC Market Solutions: Good evening. With the recent events in the world, do you think that the majors could be led to a new wave of asset disposals that would be likely to interest Rubis, whether on the Terminal side or the Distribution side? Second question: can you give us some information on, I think it's Guyana where you're now based, how it's starting and what your prospects are?

Bruno Krief: It's Suriname, which is the former Dutch Guiana, which is located between French Guiana and British Guiana, which is a country that is developing because there are raw materials, there are minerals, there is gold and there is more and more oil in this area, offshore obviously. So we built this franchise, through the construction of a depot for receiving products, because the product is imported. We've signed a contract with a wholesaler who uses part of the depot for his end-customer deliveries, and on the other hand, we're attacking the ore and industrial customers with fuel oil, and after a few months of difficulty in obtaining the last authorisations, the depot started up at the end of December and the beginning of January, and it's starting up very well. Very large throughput, output of products and sale of local products.

Jacques Riou: So your first question concerned the possibility that the majors might sell off assets again. Well, it's quite difficult, it's quite difficult to answer that question, of course. But shocks such as the one we're experiencing right now reshuffle the deck. And this type of configuration is always interesting for operators like us, who are effectively in a position, both financial and operational, to intervene. So there can be both, decisions taken by very large companies, but you also have a kind of secondary market for these types of oil distribution assets which are assets that have been sold in the past by the majors to other groups, and there can be other opportunities from medium-sized groups that have bought these types of assets in the past. We have already benefited from these types of transactions in recent years. I'm thinking recently of Madagascar, for example, or Jamaica, and there's no doubt that a market that's facing some pretty big shocks could offer some excellent opportunities for our Group, so there's no certainty of course, but it's been done before.

Jean-Luc Romain, CIC Market Solutions: Thank you.

Operator: Thank you. There are no more questions in the queue. If you wish to ask a question, please press *1 on your keyboard. We have one more question, from the line of Mr Jean-Luc Romain from CIC Market Solutions. Mr. Romain, it is your turn.

Jean-Luc Romain, CIC Market Solutions: An additional question on the investment you are planning to make in the field of liquefied natural gas in Eastern France. Have you made any progress on the final investment decision, and what potential do you see for LNG as a road fuel in Europe? Could this be a fairly important development axis for you in distribution or storage?

Bruno Krief: You know that truck traffic, well, it's the north-south axis, it's the Rotterdam-Germany-France-Spain Rhine axis, thus rallying the South of Europe and Strasbourg, Alsace, is perfectly placed from that point of view, on this transport axis with the possibility of building a mini LNG storage facility to allow the refuelling of trucks. So this is the subject that is currently being studied with Elengy, a subsidiary of Engie. We have enough space, land, which is a rare thing obviously, in developed areas, areas where we have the permits. We communicated to the market, I think I remember last November or December, that this project is under study, yes, the prospects are good. It's an investment that could reach around ten million euros, but it could also be a small one, because the idea is to enter into what is called small-scale LNG and it's more within our reach than building billion-dollar terminals. Here we have the tools, we have the land and above all we have the right partner. It's a bit early to give you more information at this stage

Jacques Riou: Yes, the final investment decision is not taken.

Operator: Thank you, there are no more questions in the queue. So I'll give the floor back to our host.

Jacques Riou: All right, Bruno and I would like to thank you for your time and I hope that you will be with us to follow the developments of this situation which is indeed, in many respects, out of the ordinary. I hope that we have satisfied your curiosity, and I will see you at the next meeting for the presentation of the results, and in the meantime, of course, you know that you can call us. Thank you very much and goodbye.

Bruno Krief: Thank you.

Operator: That's it for today, you can hang up now. Conference organisers please stay tuned.