



**PETRONAS**

# **PETRONAS DAGANGAN BERHAD**

## **QUARTERLY REPORT**

**FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023**



# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

The Board of Directors of PETRONAS Dagangan Berhad ("PDB" or the "Company") is pleased to announce the following Unaudited Condensed Consolidated Financial Statements for PDB Group for the third quarter ended 30 September 2023 which should be read in conjunction with the accompanying explanatory notes on pages 7 to 20.

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

In RM'000	Note	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
		2023	2022	2023	2022
Revenue	B1	9,915,997	10,130,694	27,473,972	27,250,117
<b>Operating profit</b>		<b>260,851</b>	403,134	<b>1,046,356</b>	900,892
Finance costs		(2,557)	(7,537)	(7,858)	(14,725)
Share of profit after tax of equity accounted associates and joint ventures		3,388	3,544	7,237	7,182
<b>Profit before taxation</b>	B1	<b>261,682</b>	399,141	<b>1,045,735</b>	893,349
Taxation	B4	(61,645)	(119,709)	(262,634)	(254,153)
<b>PROFIT FOR THE PERIOD</b>		<b>200,037</b>	279,432	<b>783,101</b>	639,196
<b>Profit attributable to:</b>					
Shareholders of the Company		184,718	275,965	762,265	632,138
Non-controlling interests		15,319	3,467	20,836	7,058
<b>PROFIT FOR THE PERIOD</b>		<b>200,037</b>	279,432	<b>783,101</b>	639,196
<b>Earnings per ordinary share - basic (sen)</b>	B11	<b>18.6</b>	27.8	<b>76.7</b>	63.6

The Unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying explanatory notes attached to these Condensed Consolidated Financial Statements.

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

In RM'000	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2023	2022	2023	2022
<b>PROFIT FOR THE PERIOD</b>	<b>200,037</b>	279,432	<b>783,101</b>	639,196
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences arising from translation of financial statements of foreign operation	(11)	15	249	42
Reclassification of foreign currency translation differences to profit or loss on dissolution of a subsidiary	6,242	—	6,242	—
<b>Total other comprehensive income for the period</b>	<b>6,231</b>	15	<b>6,491</b>	42
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>206,268</b>	279,447	<b>789,592</b>	639,238
<b>Profit attributable to:</b>				
Shareholders of the Company	190,949	275,980	768,756	632,180
Non-controlling interests	15,319	3,467	20,836	7,058
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>206,268</b>	279,447	<b>789,592</b>	639,238

The Unaudited Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these Condensed Consolidated Financial Statements.

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM'000</i>	Note	As at 30 September 2023	As at 31 December 2022
<b>ASSETS</b>			
Property, plant and equipment		4,064,257	4,115,346
Intangible asset		193	484
Investments in associates		2,534	1,954
Investments in joint ventures		73,834	83,163
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,140,818</b>	4,200,947
Trade and other inventories		176,033	139,539
Trade and other receivables		5,209,157	4,027,890
Tax recoverable		26,980	—
Cash and cash equivalents		2,701,727	2,889,161
Asset classified as held for sale	A12	21,398	—
<b>TOTAL CURRENT ASSETS</b>		<b>8,135,295</b>	7,056,590
<b>TOTAL ASSETS</b>	B1	<b>12,276,113</b>	11,257,537
<b>EQUITY</b>			
Share capital		993,454	993,454
Reserves		4,792,825	4,749,291
<b>Total Equity Attributable to Shareholders of the Company</b>		<b>5,786,279</b>	5,742,745
Non-controlling interests		65,457	44,621
<b>TOTAL EQUITY</b>	B1	<b>5,851,736</b>	5,787,366
<b>LIABILITIES</b>			
Borrowings	B6	101,309	134,947
Deferred tax liabilities		54,035	93,317
Other long-term liabilities and provisions		36,074	36,074
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>191,418</b>	264,338
Trade and other payables		6,161,643	5,016,696
Borrowings	B6	51,575	49,366
Taxation		19,741	139,771
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,232,959</b>	5,205,833
<b>TOTAL LIABILITIES</b>	B1	<b>6,424,377</b>	5,470,171
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,276,113</b>	11,257,537
Net assets per share attributable to ordinary equity holders of the Parent (RM)		5.82	5.78

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the Condensed Consolidated Financial Statements.

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In RM'000	Attributable to shareholders of the Company						
	Non-distributable			Distributable		Non-controlling Interests	Total Equity
	Share Capital	Foreign Currency Translation Reserve	Capital Reserves	Retained Profits	Total		
At 1 January 2023	993,454	(6,491)	(305)	4,756,087	5,742,745	44,621	5,787,366
Exchange difference arising from translation of financial statements of foreign operation	—	249	—	—	249	—	249
Dissolution of a foreign operation subsidiary	—	6,242	—	—	6,242	—	6,242
Total other comprehensive income for the period	—	6,491	—	—	6,491	—	6,491
Profit for the period	—	—	—	762,265	762,265	20,836	783,101
<b>Total comprehensive income for the period</b>	—	6,491	—	762,265	768,756	20,836	789,592
Dividends paid	—	—	—	(725,222)	(725,222)	—	(725,222)
At 30 September 2023	993,454	—	(305)	4,793,130	5,786,279	65,457	5,851,736
At 1 January 2022	993,454	(6,510)	(305)	4,595,434	5,582,073	33,378	5,615,451
Exchange difference arising from translation of financial statements of foreign operation	—	42	—	—	42	—	42
Total other comprehensive income for the period	—	42	—	—	42	—	42
Profit for the period	—	—	—	632,138	632,138	7,058	639,196
<b>Total comprehensive income for the period</b>	—	42	—	632,138	632,180	7,058	639,238
Dividends paid	—	—	—	(417,251)	(417,251)	—	(417,251)
At 30 September 2022	993,454	(6,468)	(305)	4,810,321	5,797,002	40,436	5,837,438

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these Condensed Consolidated Financial Statements.

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM'000</i>	Note	Cumulative quarter ended 30 September	
		2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,045,735	893,349
Adjustments for:			
Depreciation of property, plant and equipment		338,316	316,705
Amortisation of intangible asset		291	226
Net impairment losses on:			
– Trade and other receivables		2,279	16,335
– Property, plant and equipment		5,745	–
Share of profit after tax of equity accounted associates and joint ventures		(7,237)	(7,182)
Net loss/(gain) on disposal of property, plant and equipment		42	(1,318)
Gain on disposal of Liquefied Petroleum Gas ("LPG") business		–	(87,937)
Inventories written down to net realisable value ("NRV")		2,072	–
Property, plant and equipment written off		2,177	7,095
Property, plant and equipment expensed off		433	1,957
Interest income		(102,414)	(36,300)
Finance costs		7,858	14,725
Other non-cash items		3,184	(2,080)
<b>Operating profit before changes in working capital</b>		<b>1,298,481</b>	<b>1,115,575</b>
Trade and other inventories		(38,566)	(7,738)
Trade and other receivables		(1,186,132)	(10,412,318)
Trade and other payables		1,156,441	9,179,321
<b>Cash generated from operations</b>		<b>1,230,224</b>	<b>(125,160)</b>
Taxation paid		(448,835)	(169,047)
<b>Net cash generated from/(used in) operating activities</b>	B1	<b>781,389</b>	<b>(294,207)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income		102,414	36,300
Purchase of property, plant and equipment		(300,673)	(210,675)
Investment in a joint venture		–	(2,410)
Proceeds from disposal of LPG business		–	40,000
Proceeds from disposal of property, plant and equipment		–	1,609
<b>Net cash used in investing activities</b>	B1	<b>(198,259)</b>	<b>(135,176)</b>

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*Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the Condensed Consolidated Financial Statements.*

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In RM'000	Note	Cumulative quarter ended 30 September	
		2023	2022
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(725,222)	(417,251)
Drawdown of revolving credits		—	700,000
Drawdown of sukuk facilities	B6	1,997	—
Repayment of revolving credits		—	(16,000)
Repayment of sukuk facilities	B6	(997)	—
Payment of lease liabilities	B6	(38,485)	(28,634)
Profit margin paid on sukuk facilities	B6	(9)	—
Interest on revolving credit facilities		—	(6,816)
Interest paid on lease liabilities	B6	(7,849)	(7,909)
<b>Net cash (used in)/generated from financing activities</b>	B1	<b>(770,565)</b>	<b>223,390</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(187,435)</b>	<b>(205,993)</b>
Decrease/(increase) in cash and cash equivalents restricted		23,223	(8,460)
Net foreign exchange differences		—	11
Cash and cash equivalents at beginning of the period		2,851,047	1,882,627
<b>Cash and cash equivalents at end of the period</b>		<b>2,686,835</b>	<b>1,668,185</b>
<b>Cash and cash equivalents</b>			
Cash and bank balances		2,701,727	1,705,080
Less: Cash and cash equivalents restricted		(14,892)	(36,895)
		<b>2,686,835</b>	<b>1,668,185</b>

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*The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the Condensed Consolidated Financial Statements.*

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### A1 BASIS OF PREPARATION

The condensed financial statements have been prepared using historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The condensed financial statements are unaudited and have been prepared in accordance with IAS 34 *Interim Financial Reporting*, MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They should be read in conjunction with the audited financial statements and the accompanying notes for the year ended 31 December 2022. The explanatory notes attached to these condensed consolidated financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries, and the Group's interest in its associates and its joint ventures as at and for the quarter ended 30 September 2023.

#### A2 SIGNIFICANT ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 December 2023 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for year ended 31 December 2022 except as disclosed below.

During the financial year, the Group has adopted the following MFRS and Amendments to MFRSs ("pronouncements") that have been issued by the Malaysian Accounting Standard's Board ("MASB").

##### Effective for annual periods beginning on or after 1 January 2023

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements (Disclosure of Accounting Policies)</i>
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)</i>
Amendments to MFRS 112	<i>Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)</i>

The initial application of the above pronouncements are not expected to have material impact to the financial statements of the Group.

On 2 June 2023, MASB has also issued the Amendments to MFRS 112 *Income Taxes International Tax Reform – Pillar Two Model Rules*. This pronouncement is effective from annual period beginning on or after 1 January 2023 and will be in effect upon enactment of Pillar Two Model Rules in Malaysia. As allowed by the transitional provision, the Group is not required to provide any disclosure in relation to this pronouncement for interim period ended 30 September 2023.

#### A3 AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the year ended 31 December 2022 were not subject to audit qualification.

#### A4 SEASONAL OR CYCLICAL FACTORS

The Group's operations in relation to sales volume are not significantly affected by seasonal or cyclical fluctuations of the business/industry.

#### A5 EXCEPTIONAL ITEMS

There were no exceptional items during the period under review.



# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

#### A6 MATERIAL CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in estimates of the amounts reported in the most recent annual financial statements of the Group for the year ended 31 December 2022 that may have a material effect in the results of period under review.

#### A7 CAPITAL COMMITMENTS

Outstanding capital commitments in respect of capital expenditure at financial position date not provided for at the end of each reporting period are as follows:

<i>In RM'000</i>	As at 30 September 2023	As at 31 December 2022
Approved and contracted for	118,965	97,011
Approved but not contracted for	67,487	326,655
	<b>186,452</b>	423,666

#### A8 DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the period under review, except as disclosed in note A14 and B6.

#### A9 DIVIDENDS PAID

During the period, the following dividend payments were made:

<i>In RM'000</i>	As at 30 September 2023	As at 30 September 2022
<b>2021</b>		
Quarter 4: interim dividend of 26 sen per ordinary share	—	258,298
<b>2022</b>		
Quarter 1: interim dividend of 5 sen per ordinary share	—	49,673
Quarter 2: interim dividend of 11 sen per ordinary share	—	109,280
Quarter 4: interim dividend of 26 sen per ordinary share	258,298	—
Quarter 4: special dividend of 14 sen per ordinary share	139,084	—
<b>2023</b>		
Quarter 1: interim dividend of 15 sen per ordinary share	149,018	—
Quarter 2: interim dividend of 18 sen per ordinary share	178,822	—
	<b>725,222</b>	417,251

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

#### A10 OPERATING SEGMENTS

The Group's reportable operating segments comprise Retail, Commercial and Convenience Businesses. Each reportable segment offers different services and requires different marketing strategies.

For each of the reportable segment, the Group's chief operating decision maker which is the Board of Directors of the Company, reviews internal management reports at least on a quarterly basis.

- Retail – consists of sales and purchase of petroleum products to the retail sector.
- Commercial – consists of sales and purchase of petroleum products and provision of services to the commercial sector.
- Convenience – comprises mainly non-fuel business activities.

Revenues derived from petroleum products are predominantly sold to the retail and commercial sectors in Malaysia which have been disclosed in the Operating Segment. In this respect, no further disaggregation of revenue is presented.

#### Results for the cumulative quarter ended 30 September

*In RM'000*

Business Segments	2023			Group
	Retail	Commercial	Convenience	
Revenue	13,743,263	13,543,588	187,121	27,473,972
Depreciation and amortisation	272,389	41,813	24,405	338,607
Other income	126,926	68,035	5,524	200,485
<b>Operating profit for reportable segments</b>	<b>622,172</b>	<b>380,853</b>	<b>43,331</b>	<b>1,046,356</b>
Finance cost	(1,953)	(5,644)	(261)	(7,858)
Share of profit after tax of equity accounted associates and joint ventures				7,237
<b>Profit before taxation</b>				<b>1,045,735</b>

*In RM'000*

Business Segments	2022			Group
	Retail	Commercial	Convenience	
Revenue	12,816,323	14,267,527	166,267	27,250,117
Depreciation and amortisation	254,145	43,561	19,225	316,931
Other income	163,769	42,674	2,025	208,468
<b>Operating profit for reportable segments</b>	<b>650,444</b>	<b>227,491</b>	<b>22,957</b>	<b>900,892</b>
Finance cost	(8,159)	(6,301)	(265)	(14,725)
Share of profit after tax of equity accounted associates and joint ventures				7,182
<b>Profit before taxation</b>				<b>893,349</b>

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

#### A11 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost less accumulated impairment losses, if any.

#### A12 ASSET CLASSIFIED AS HELD FOR SALE

On 19 March 2023, the Group via its subsidiary, PETRONAS Aviation Sdn. Bhd. ("PAV") has entered into a Shares Sale Agreement ("SSA") in relation to the divestment of 40% shareholdings by PAV in United Fuel Company LLC ("UFC"). The divestment in UFC is presented as asset classified as held for sale with the carrying value of RM15.2 million as at 30 September 2023. The divestment is expected to be completed in December 2023 upon fulfilment of the conditions precedent as agreed in the SSA.

Included herein 3 lands with a carrying value of RM6.2 million that were classified as asset held for sale during the quarter.

#### A13 CONTINGENCIES

<i>In RM'000</i>	<b>As at 30 September 2023</b>	<b>Group As at 31 December 2022</b>
An award in favour of a subsidiary was issued by the arbitrator in 2018 following an arbitration proceeding, which allowed additional costs and expenses for restructuring works at one of the subsidiary's major facilities. The quantum to be paid following the award as of the financial period is pending settlement negotiation between the parties.	<u>26,662</u>	<u>26,662</u>

No provision has been made on the above contingency in the quarterly report up to reporting date. There were no material contingent liabilities since the last consolidated statement of financial position as at 31 December 2022.

#### A14 SIGNIFICANT EVENT

On 29 March 2023, PDB has announced the establishment of Islamic Commercial Papers ("ICP") Programme and Islamic Medium Term Notes ("IMTN") Programme with a combined aggregate limit of up to RM10.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar (collectively, the "Sukuk Wakalah Programmes"). The proceeds will be used to finance PDB and/or its subsidiaries' Shariah-compliant general corporate purposes, which include investments, capital expenditure, working capital requirements and/or refinancing of existing or future financing. As at reporting date, PDB had issued RM2.0 million for the Sukuk Wakalah Programmes on 31 July 2023 and subsequently redeemed RM1.0 million on 25 August 2023.

#### A15 CHANGES IN THE COMPOSITION OF THE GROUP

On 8 August 2023, the Group dissolved its foreign operation subsidiary, PDB Netherlands B.V. ("PDBN").

#### A16 RELATED PARTY TRANSACTIONS

There were no significant transactions with related party in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2022.

#### A17 DISCONTINUED OPERATIONS

There were no discontinued operations in the Group during the period under review.

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

#### A18 FAIR VALUE INFORMATION

The carrying amounts of cash and cash equivalents and short term receivables and payables reasonably approximate their fair values due to their relative short term nature of these financial instruments.

Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the prevailing rate of interest charged on the respective loans at the end of the reporting period.

As at the end of the reporting period, there were no financial instruments carried at fair value.

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

#### B1 REVIEW OF GROUP PERFORMANCE

The average oil price in Q3 2023 settled at \$86.75/bbl, reflecting a decrease of approximately 14% against same period last year following ongoing Russia-Ukraine conflict. Nevertheless, the oil price surged by 11% comparing to preceding quarter amidst voluntary production cut and reduced oil export by Saudi Arabia and Russia until the end of the year.

Notwithstanding the decline in oil prices, the Group recorded steady margin cumulatively supported by higher volume following increase in flight frequency and improved domestic household spending. There was a relatively weaker performance recorded for individual quarter mainly due to less favourable MOPS prices trend for commercial business products, nonetheless Merdeka marketing campaign on Raikan Kegemilangan enabled to cushion the impact by supporting higher volume for retail business.

Café Mesra continues its expansion that includes mobilising Café Mesra Trailers in various locations as well as pop-up Cafes across Malaysia, whilst the convenience at Kedai Mesra had progressively improved in line with diversification of product offerings and optimising in-store merchandise strategies.

Setel was chosen by Ministry of Finance as one of the three e-wallets to participate in eBeliaRahmah program, promoting cashless society amongst Malaysian youths. Meanwhile, DuitNow QR continues to garner higher traction with Setel payment enabled across 1.6 million merchants nationwide.

#### a) Performance of the current period against the corresponding period last year

In RM' Mil	Cumulative quarter ended								
	Retail			Commercial			Convenience		
	Sept 2023	Sept 2022	Var %	Sept 2023	Sept 2022	Var %	Sept 2023	Sept 2022	Var %
Revenue	13,743.3	12,816.3	7	13,543.6	14,267.5	(5)	187.1	166.3	13
Profit before taxation	620.2	642.3	(3)	375.2	221.2	70	43.1	22.7	90

  

In RM' Mil	Cumulative quarter ended Group		
	Sept 2023	Sept 2022	Var %
	Revenue	27,474.0	27,250.1
Profit before taxation	1,045.7	893.3	17

#### Group

The Group's revenue for the quarter increased by RM223.9 million on the back of higher sales volume by 9%, offset by decline in average selling prices by 7%.

The Group recorded a Profit Before Taxation ("PBT") of RM1,045.7 million, grew by RM152.4 million or 17% contributed by higher gross profit following higher margin from all segments. This was negated by increase in operating expenditure coupled with lower other income following recognition of gain on disposal of Liquefied Petroleum Gas ("LPG") business in Sarawak in the corresponding period last year.

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

### B1 REVIEW OF GROUP PERFORMANCE (continued)

#### a) Performance of the current period against the corresponding period last year (continued)

##### Retail Segment

Retail segment revenue increased by RM927.0 million or 7%, mainly contributed by higher sales volume of 7% in tandem with higher demand.

PBT recorded for the period was RM620.2 million, a decrease of RM22.1 million or 3% against the corresponding period last year, attributed to increase in operating expenditure and lower other income following once-off gain from disposal of LPG business in Sarawak in the corresponding period last year. This was offset by higher gross profit from Mogas and Diesel in line with higher volume sold during the period.

##### Commercial Segment

Commercial segment recorded a decrease in revenue of RM723.9 million or 5% mainly attributed to lower average selling price by 15% despite higher sales volume of 12%.

PBT of RM375.2 million was recorded for the period, an increase of RM154.0 million or 70% against the corresponding period last year, mainly contributed by higher gross profit from Jet A1 following a less volatile prices' trend coupled with higher volume as well as higher interest income. This was offset by higher operating expenditure.

##### Convenience Segment

Revenue recorded for the period was RM187.1 million, an increase of RM20.8 million or 13% contributed by higher demand for Mesra stores and Café Mesra during the period.

PBT recorded for the period was RM43.1 million, an increase of RM20.4 million or 90% against the corresponding period last year contributed by higher gross profit from Mesra Retail Cafe Sdn Bhd ("MESRA") and higher interest income.

#### b) Performance of the current quarter against the corresponding quarter last year

In RM' Mil	Individual quarter ended								
	Retail			Commercial			Convenience		
	Sept 2023	Sept 2022	Var %	Sept 2023	Sept 2022	Var %	Sept 2023	Sept 2022	Var %
Revenue	4,768.4	4,536.8	5	5,084.0	5,528.9	(8)	63.6	65.0	(2)
Profit before taxation	167.7	119.9	40	79.2	268.0	(70)	11.4	7.7	48
	Individual quarter ended Group								
In RM' Mil							Sept 2023	Sept 2022	Var %
Revenue							9,916.0	10,130.7	(2)
Profit before taxation							261.7	399.1	(34)

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

#### B1 REVIEW OF GROUP PERFORMANCE (continued)

##### b) Performance of the current quarter against the corresponding quarter last year (continued)

###### Group

The Group's revenue for the quarter decreased by RM214.7 million or 2% attributed to lower average selling prices by 7% despite higher sales volume by 6%.

The Group recorded a PBT of RM261.7 million, lower by RM137.4 million or 34% mainly due to lower gross profit as a result of unfavourable price movements impacting Jet A1 and Diesel, and higher operating expenditure. This was offset by higher other income in tandem with increase in interest income.

###### Retail Segment

Retail segment revenue increased by RM231.6 million or 5%, mainly contributed by higher sales volume of 5% in line with higher demand.

PBT recorded for the quarter was RM167.7 million, an increase of RM47.8 million or 40% against the corresponding quarter last year, mainly contributed by higher gross margin from Mogas and Diesel as a result of favourable MOPS price and higher interest income. This was offset by higher operating expenditure.

###### Commercial Segment

Commercial segment recorded a decrease in revenue of RM444.9 million or 8%, mainly attributed to lower average selling prices by 13%, offset with higher sales volume by 6%.

PBT of RM79.2 million was recorded for the quarter, a decrease of RM188.8 million or 70% against the corresponding quarter last year, in line with lower gross profit attributed to unfavourable price movements impacting Jet A1 and Diesel, offset with higher interest income.

###### Convenience Segment

Revenue recorded for the quarter was RM63.6 million, a slight decrease of RM1.4 million or 2% attributed to lower chargeable sales for Mesra during the quarter.

Conversely, PBT recorded for the quarter was RM11.4 million, an increase of RM3.7 million or 48% against corresponding quarter last year mainly due to lower operating expenditure and higher interest income. This was offset by lower gross profit mainly from MESRA.

##### c) Variation of results against preceding quarter

	Individual quarter ended		
	Sept 2023	June 2023	Group Var %
<i>In RM' Mil</i>			
Revenue	9,916.0	8,912.5	11
Profit before taxation	261.7	375.2	(30)

Revenue for the Group increased by RM1,003.5 million or 11% as compared to the preceding quarter mainly contributed by higher average selling prices by 9% and sales volume by 2%.

However, PBT for the quarter decreased by RM113.5 million or 30% in line with lower gross profit mainly attributed to unfavourable price movements impacting Jet A1 and Diesel, which was partially negated by increase in Retail segment following higher volume coupled with increase in operating expenditure.

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

#### B1 REVIEW OF GROUP PERFORMANCE (continued)

##### d) Highlight on Consolidated Statement of Financial Position

<i>In RM'000</i>	As at 30 September 2023	As at 31 December 2022	Variance (%)
Total assets	12,276,113	11,257,537	9
Total equity	5,851,736	5,787,366	1
Total liabilities	6,424,377	5,470,171	17
Return on equity (%)	18.0	13.7	31

Total assets recorded at RM12,276.1 million, an increase by RM1,018.6 million or 9% mainly contributed by increase in trade and other receivables in line with higher MOPS price during the period.

Total liabilities increased by RM954.2 million or 17%, mainly due to increase in trade and other payables resulting from higher purchase cost in line with higher prices.

##### e) Highlight on Consolidated Statement of Cash Flows

<i>In RM'000</i>	Cumulative quarter ended 30 September 2023	30 September 2022	Variance (%)
Net cash generated from/(used in) operating activities	781,389	(294,207)	>(100)
Net cash used in investing activities	(198,259)	(135,176)	47
Net cash (used in)/generated from financing activities	(770,565)	223,390	>(100)

Net cash generated from operating activities was higher by RM1,075.6 million during the period mainly due to higher receipts of subsidy receivables.

Net cash used in investing activities was higher by RM63.1 million mainly due to higher capital expenditures during the period.

Net cash used in financing activities was higher by RM993.9 million mainly attributable to increase in dividends paid during the period coupled with drawdown of revolving credit facilities of RM700.0 million in the same period last year.



# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

#### B2 COMMENTARY ON PROSPECTS

Malaysia's economy is anticipated to grow driven by strong private sector consumption, lower inflation rate and a thriving services industry, despite forecasted rise in oil price by Q4 2023. PDB is poised to sustain its strong performance until year end, as it continues to strengthen its core business and foster business growth, amid cautious outlook from potential global headwinds.

The Group aspires to enhance its business segments by focusing on customer service and innovation in Retail, capitalising the growth of air travel industry in Commercial, expanding Lubricants' customer base and maintaining optimism in LPG. PDB will intensify its efforts in growing its non-fuel business, leveraging technology as well as embracing digital transformation and innovation. This includes upholding a diverse portfolio of products and services at Kedai and Café Mesra.

Following the recent National Budget announcement on the implementation of targeted subsidy for electricity and diesel in 2024, PDB is committed to supporting the roll-out and providing seamless customer experience.

In supporting the sustainability agenda, PDB continues to expand Electric Vehicle ("EV") infrastructure in collaboration with industry players, deploying Used Cooking Oil ("UCO") collections at PETRONAS stations nationwide while prioritising decarbonisation through solar panel installations.

#### B3 PROFIT FORECAST OR PROFIT GUARANTEE

The Group does not publish any profit forecast or profit guarantee.

#### B4 TAXATION

Tax expense comprises the following:

<i>In RM'000</i>	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2023	2022	2023	2022
<u>Income Tax:</u>				
Current period	112,010	133,440	301,916	263,430
<u>Deferred Tax:</u>				
Current period	(50,365)	(13,731)	(39,282)	(9,277)
	<u>61,645</u>	<u>119,709</u>	<u>262,634</u>	<u>254,153</u>

Effective tax rate for individual and cumulative quarter ended 30 September 2023 of 24% and 25% respectively, were comparable to statutory tax rate.

#### B5 STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced as at the date of this report.

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA  
MALAYSIA SECURITIES BERHAD (continued)

### B6 BORROWINGS

a) Particulars of the Group's borrowings are as follows:

<i>In RM'000</i>	As at 30 September 2023	As at 31 December 2022
<b>Non-Current</b>		
<i>Secured</i>		
Lease liabilities	101,309	134,947
<b>Current</b>		
<i>Secured</i>		
Lease liabilities	50,575	49,366
<i>Unsecured</i>		
Sukuk facilities	1,000	—
	<u>51,575</u>	<u>49,366</u>
	<u>152,884</u>	<u>184,313</u>
	As at 30 September 2023	As at 31 December 2022
<i>In RM'000</i>		
<b>By Currency</b>		
<i>RM</i>		
Lease liabilities	92,816	93,416
Sukuk facilities	1,000	—
<i>USD</i>		
Lease liabilities	59,068	90,897
	<u>152,884</u>	<u>184,313</u>

The lease liabilities and sukuk facilities bear interest and profit margin respectively at rates ranging from 3.41% to 7.80% (2022: 3.51% to 8.43%) per annum.

b) Reconciliation of borrowings arising from financing activities:

<i>In RM'000</i>	As at 1 January 2023	Cash flows		Non-cash changes		As at 30 September 2023
		Net repayment	Interest expenses/ Profit margin	Addition	Others	
Sukuk facilities	—	1,000	(9)	—	9	1,000
Lease liabilities	184,313	(38,485)	(7,849)	6,056	7,849	151,884
	<u>184,313</u>	<u>(37,485)</u>	<u>(7,858)</u>	<u>6,056</u>	<u>7,858</u>	<u>152,884</u>

### B7 MATERIAL LITIGATION

There are no material litigations as at the date of this report.

### B8 DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any material derivative financial instruments since the last audited consolidated financial statements for the year ended 31 December 2022.

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

#### B9 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group does not have any financial liabilities that are measured at fair value for the period under review.

#### B10 DIVIDENDS

The Board has declared an interim dividend of 20 sen per ordinary share amounting to RM198,690,800 for the third quarter ended 30 September 2023, payable on 22 December 2023 (Quarter 3 2022: an interim dividend of 20 sen per ordinary share amounting to RM198,690,800).

NOTICE IS HEREBY GIVEN that the interim dividend will be payable on 22 December 2023 to depositors registered in the Records of Depositors at the close of the business on 8 December 2023. A depositor shall qualify for entitlement to the dividends only in respect of:

- Shares transferred into Depositor's Securities Account before 4.00 pm on 8 December 2023 in respect of ordinary transfers.
- Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

#### B11 BASIC EARNINGS PER SHARE

Basic earnings per share is derived based on the profit attributable to shareholders of the Company and based on the number of ordinary shares outstanding as at 30 September 2023.

	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2023	2022	2023	2022
Profit attributable to shareholders of the Company (RM'000)	184,718	275,965	762,265	632,138
Number of ordinary shares ('000)	993,454	993,454	993,454	993,454
Earnings per ordinary share (sen)	18.6	27.8	76.7	63.6

As at the date of the statement of financial position, the Company does not have any instruments which may have dilutive impact on the basic earnings per share.

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA  
MALAYSIA SECURITIES BERHAD (continued)

### B12 TRADE RECEIVABLES

<i>In RM'000</i>	As at 30 September 2023	As at 31 December 2022
Trade receivables		
– Third party	2,161,016	1,745,782
– Related companies	265,465	177,855
Less:		
– Impairment loss: specific	(42,406)	(43,413)
– Impairment loss: general	(19,841)	(16,460)
	<u>2,364,234</u>	<u>1,863,764</u>
At net		
Not past due	2,255,603	1,813,621
Past due 1 to 30 days	67,135	12,895
Past due 31 to 60 days	6,844	5,697
Past due 61 to 90 days	2,805	4,772
Past due more than 90 days	31,847	26,779
	<u>2,364,234</u>	<u>1,863,764</u>

As at 30 September 2023, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

# QUARTERLY REPORT

## FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

#### B13 PROFIT FOR THE PERIOD

<i>In RM'000</i>	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2023	2022	2023	2022
<b>Profit for the period is arrived at after charging:</b>				
Depreciation and amortisation*	115,069	105,545	338,607	316,931
Impairment loss on trade and other receivables	5,388	4,129	6,207	19,017
Impairment loss on property, plant and equipment	5,745	—	5,745	—
Net loss on disposal of property, plant and equipment	42	8	42	8
Profit margin on sukuk facilities	9	—	9	—
Interest on revolving credit facilities	—	4,927	—	6,816
Net realised loss on foreign exchange	1,887	—	6,023	8,965
Net unrealised loss on foreign exchange	366	—	2,890	—
Interest on lease liabilities	2,548	2,610	7,849	7,909
Inventories written down to NRV	2,072	—	2,072	—
Property, plant and equipment written off	2,177	7,095	2,177	7,095
Property, plant and equipment expensed off	37	256	433	1,957
Bad debts written off	297	51	297	138
<b>and after crediting:</b>				
Net gain on disposal of property, plant and equipment	—	27	—	1,326
Gain on disposal of LPG business	—	—	—	87,937
Interest income	36,767	10,866	102,414	36,300
Income from rental of premises	310	477	1,087	1,158
Net unrealised gain on foreign exchange	—	1,489	—	2,218
Net realised gain on foreign exchange	—	959	—	—
Write back of impairment loss on trade and other receivables	612	484	3,928	2,682

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

\* Includes depreciation on rights-of-use assets

#### B14 AUTHORISED FOR ISSUE

This quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 November 2023.

BY ORDER OF THE BOARD

Mek Yam @ Mariam Hassan (MAICSA 7030578) (SSM Practising Certificate No. 201908000788)

Norhashema Saleh (MAICSA 7021781) (SSM Practising Certificate No. 202308000073)

Company Secretaries

Kuala Lumpur

23 November 2023