



PETRONAS DAGANGAN BERHAD

QUARTERLY REPORT

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2024

QUARTERLY REPORT

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2024

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 2024 which should be read in conjunction with the accompanying explanatory notes on pages 7 to 19.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

In RM'000	Note	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
		2024	2023	2024	2023
Revenue	B1	9,726,960	9,915,997	28,958,025	27,473,972
Operating profit		443,817	260,851	1,188,588	1,046,356
Finance costs		(2,489)	(2,557)	(7,005)	(7,858)
Share of profit/(loss) after tax of equity accounted associates and joint ventures		4,665	3,388	(12,713)	7,237
Profit before taxation	B1	445,993	261,682	1,168,870	1,045,735
Taxation	B4	(105,933)	(61,645)	(312,587)	(262,634)
PROFIT FOR THE PERIOD		340,060	200,037	856,283	783,101
Profit attributable to:					
Shareholders of the Company		335,134	184,718	837,566	762,265
Non-controlling interests		4,926	15,319	18,717	20,836
PROFIT FOR THE PERIOD		340,060	200,037	856,283	783,101
Earnings per ordinary share - basic (sen)	B11	33.7	18.6	84.3	76.7

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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

In RM'000	Note	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
		2024	2023	2024	2023
PROFIT FOR THE PERIOD		340,060	200,037	856,283	783,101
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising from translation of financial statements of foreign operations		—	(11)	—	249
Reclassification of foreign currency translation differences to profit or loss on dissolution of a subsidiary		—	6,242	—	6,242
Total other comprehensive income for the period		—	6,231	—	6,491
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		340,060	206,268	856,283	789,592
Profit attributable to:					
Shareholders of the Company		335,134	190,949	837,566	768,756
Non-controlling interests		4,926	15,319	18,717	20,836
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		340,060	206,268	856,283	789,592

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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM'000</i>	Note	As at 30 September 2024	As at 31 December 2023
ASSETS			
Property, plant and equipment		4,017,964	4,116,879
Intangible asset		—	97
Investments in associates		2,216	2,075
Investments in joint ventures		48,598	61,452
TOTAL NON-CURRENT ASSETS		4,068,778	4,180,503
Trade and other inventories		153,327	148,745
Trade and other receivables		3,149,801	5,634,024
Cash and cash equivalents		3,649,049	1,507,053
		6,952,177	7,289,822
Assets classified as held for sale		16,383	16,634
TOTAL CURRENT ASSETS		6,968,560	7,306,456
TOTAL ASSETS	B1	11,037,338	11,486,959
EQUITY			
Share capital		993,454	993,454
Reserves		4,966,766	4,774,945
Total Equity Attributable to Shareholders of the Company		5,960,220	5,768,399
Non-controlling interests		87,040	68,323
TOTAL EQUITY	B1	6,047,260	5,836,722
LIABILITIES			
Borrowings	B6	97,081	99,823
Deferred tax liabilities		68,246	69,870
Other long-term liabilities and provisions		40,268	40,268
TOTAL NON-CURRENT LIABILITIES		205,595	209,961
Trade and other payables		4,626,358	5,356,895
Borrowings	B6	24,751	52,396
Taxation		133,374	30,985
TOTAL CURRENT LIABILITIES		4,784,483	5,440,276
TOTAL LIABILITIES	B1	4,990,078	5,650,237
TOTAL EQUITY AND LIABILITIES		11,037,338	11,486,959
Net assets per share attributable to ordinary equity holders of the Parent (RM)		6.00	5.81

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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company						Total Equity
	Non-distributable			Distributable		Non-controlling Interests	
	Share Capital	Foreign Currency Translation Reserve	Capital Reserves	Retained Profits	Total		
<i>In RM'000</i>							
At 1 January 2024	993,454	—	(305)	4,775,250	5,768,399	68,323	5,836,722
Profit for the period	—	—	—	837,566	837,566	18,717	856,283
Total comprehensive income for the period	—	—	—	837,566	837,566	18,717	856,283
Dividends paid	—	—	—	(645,745)	(645,745)	—	(645,745)
At 30 September 2024	993,454	—	(305)	4,967,071	5,960,220	87,040	6,047,260
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
Total comprehensive income for the period	—	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

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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In RM'000	Note	Cumulative quarter ended 30 September	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,168,870	1,045,735
Adjustments for:			
Depreciation of property, plant and equipment		353,887	338,316
Amortisation of intangible asset		97	291
Net impairment (write back)/losses on:			
– Trade and other receivables		(5,977)	2,279
– Property, plant and equipment		9,796	5,745
Bad debts written off		1,045	297
Share of loss/(profit) after tax of equity accounted associates and joint ventures		12,713	(7,237)
Net unrealised foreign exchange loss		447	2,887
Net (gain)/loss on disposal of property, plant and equipment		(2,342)	42
Inventories written down to net realisable value ("NRV")		2,524	2,072
Property, plant and equipment written off		20,209	2,177
Property, plant and equipment expensed off		1,032	433
Interest income		(102,793)	(102,414)
Interest expense		7,005	7,858
Operating profit before changes in working capital		1,466,513	1,298,481
Trade and other inventories		(7,106)	(38,566)
Trade and other receivables		2,490,452	(1,186,132)
Trade and other payables		(732,477)	1,156,441
Cash generated from operations		3,217,382	1,230,224
Taxation paid		(211,823)	(448,835)
Net cash generated from operating activities	B1	3,005,559	781,389
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		102,793	102,414
Purchase of property, plant and equipment		(270,652)	(300,673)
Proceeds from disposal of property, plant and equipment		2,961	–
Net cash used in investing activities	B1	(164,898)	(198,259)

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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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In RM'000	Note	Cumulative quarter ended 30 September	
		2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(645,745)	(725,222)
Drawdown of Sukuk facilities	B6	—	1,997
Repayment of Sukuk facilities	B6	(1,000)	(997)
Payment of lease liabilities	B6	(44,915)	(38,485)
Profit margin paid on Sukuk facilities	B6	(21)	(9)
Interest paid on lease liabilities	B6	(6,984)	(7,849)
Net cash used in financing activities	B1	(698,665)	(770,565)
Net increase/(decrease) in cash and cash equivalents		2,141,996	(187,435)
(Increase)/decrease in cash and cash equivalents restricted		(36,997)	23,223
Cash and cash equivalents at beginning of the period		1,478,837	2,851,047
Cash and cash equivalents at end of the period		3,583,836	2,686,835
Cash and cash equivalents			
Cash and bank balances		3,649,049	2,701,727
Less: Cash and cash equivalents restricted		(65,213)	(14,892)
		3,583,836	2,686,835

continued from previous page

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 2024

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 2023. 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 2023.

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 2024.

A2 MATERIAL 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 2024 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for the year ended 31 December 2023 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 2024

Amendments to MFRS 16	<i>Leases (Lease Liability in a Sale and Leaseback)</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements (Non-current Liabilities with Covenants)</i>
Amendments to MFRS 107	<i>Statement of Cash Flows (Supplier Finance Arrangements)</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures (Supplier Finance Arrangements)</i>

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

QUARTERLY REPORT

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2024

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

A3 AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the year ended 31 December 2023 were not subject to any 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.

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 2023 that may have a material effect on the results of the period under review.

A7 CAPITAL COMMITMENTS

Capital expenditures which have not been provided for at the end of each reporting period are as follows:

<i>In RM'000</i>	As at 30 September 2024	As at 31 December 2023
Approved and contracted for	116,276	87,102
Approved but not contracted for	79,037	397,898
	195,313	485,000

A8 DEBT AND EQUITY SECURITIES

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

A9 DIVIDENDS PAID

During the period under review, the following dividend payments were made:

<i>In RM'000</i>	As at 30 September 2024	As at 30 September 2023
2022		
Quarter 4: interim dividend of 26 sen per ordinary share	—	258,298
Quarter 4: special dividend of 14 sen per ordinary share	—	139,084
2023		
Quarter 1: interim dividend of 15 sen per ordinary share	—	149,018
Quarter 2: interim dividend of 18 sen per ordinary share	—	178,822
Quarter 4: interim dividend of 27 sen per ordinary share	268,233	—
2024		
Quarter 1: interim dividend of 18 sen per ordinary share	178,822	—
Quarter 2: interim dividend of 20 sen per ordinary share	198,690	—
	645,745	725,222

QUARTERLY REPORT

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2024

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 segments, 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	2024			
	Retail	Commercial	Convenience	Group
Revenue	15,346,155	13,391,335	220,535	28,958,025
Depreciation and amortisation	275,767	53,288	24,929	353,984
Other income	137,188	64,350	3,581	205,119
Operating profit for reportable segments	666,642	490,964	30,982	1,188,588
Finance cost	(1,680)	(5,146)	(179)	(7,005)
Share of loss after tax of equity accounted associates and joint ventures				(12,713)
Profit before taxation				1,168,870

In RM'000

Business Segments	2023			
	Retail	Commercial	Convenience	Group
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
Operating profit for reportable segments	622,172	380,853	43,331	1,046,356
Finance cost	(1,953)	(5,644)	(261)	(7,858)
Share of profit after tax of equity accounted associates and joint ventures				7,237
Profit before taxation				1,045,735

QUARTERLY REPORT

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2024

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 CONTINGENCIES

<i>In RM'000</i>	As at 30 September 2024	Group As at 31 December 2023
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 2023.

A13 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter under review.

A14 RELATED PARTY TRANSACTIONS

There were no new significant transactions with related party in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2023.

A15 DISCONTINUED OPERATIONS

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

A16 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 2024

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

B1 REVIEW OF GROUP PERFORMANCE

The Group's Profit Before Tax ("PBT") for Q3 2024 was RM445.9 million, a significant growth of 70% against Q3 2023, on the back of strong margins negated by elevated operating expenditure in line with increased activities. Strong margin was supported by favourable prices trend for Commercial and decrease in overall product costs due to lower purchase premium.

The Group also registered higher volume mainly from Retail Mogas and aviation sector, resulted from rising demand and passenger movements both domestically and internationally, which has positively impacted the Group's profitability.

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

In RM' Mil	Cumulative quarter ended								
	Retail			Commercial			Convenience		
	Sept 2024	Sept 2023	Var %	Sept 2024	Sept 2023	Var %	Sept 2024	Sept 2023	Var %
Revenue	15,346.2	13,743.3	12	13,391.3	13,543.6	(1)	220.5	187.1	18
Profit before taxation	664.9	620.2	7	485.8	375.2	29	30.8	43.1	(29)

In RM' Mil	Cumulative quarter ended Group		
	Sept 2024	Sept 2023	Var %
	Revenue	28,958.0	27,474.0
Profit before taxation	1,168.8	1,045.7	12

Group

The Group's revenue for the year increased by RM1,484.0 million, driven by 4% sales volume growth as well as 1% increase in average selling prices.

The Group recorded a PBT of RM1,168.8 million, an increase of RM123.1 million or 12% contributed by an increase in gross profit from all segments, offset by higher operating expenditure.

QUARTERLY REPORT

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2024

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 RM1,602.9 million or 12%, mainly contributed by higher sales volume of 8% in line with an increase in demand coupled with improved average selling prices by 3%.

PBT recorded for the period stood at RM664.9 million, an increase of RM44.7 million or 7% against the corresponding period last year, mainly contributed by higher gross margin from favourable MOPS prices trend, lower product costs and increase in volume sold. This was offset by higher operating expenditure.

Commercial Segment

Commercial segment revenue recorded a decrease of RM152.3 million or 1%. This was mainly attributed to lower sales volume by 1%, with comparable average selling prices.

PBT of RM485.8 million was recorded for the period, an increase of RM110.6 million or 29% against the corresponding period last year mainly due to higher gross profit following favourable MOPS prices trend and improved demand for Jet A1 and Diesel, negated by decrease in demand for specialty products. The increase in PBT was offset by higher operating expenditure in line with increase in business activities during the period.

Convenience Segment

Revenue recorded for the period was RM220.5 million, an increase of RM33.4 million or 18%, driven by higher demand resulting from attractive promotions for Kedai Mesra, Café Mesra and PETRONAS Shop merchandise during the period.

PBT recorded for the period was RM30.8 million, a decrease of RM12.3 million or 29% against the corresponding period last year attributed to higher operating expenditure, offset with higher gross profit mainly from chargeable sales from Kedai Mesra, Café Mesra and PETRONAS Shop merchandise.

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

In RM' Mil	Individual quarter ended								
	Retail			Commercial			Convenience		
	Sept 2024	Sept 2023	Var %	Sept 2024	Sept 2023	Var %	Sept 2024	Sept 2023	Var %
Revenue	5,111.2	4,768.4	7	4,538.8	5,084.0	(11)	76.9	63.6	21
Profit before taxation	223.0	167.7	33	203.8	79.2	>100	14.4	11.4	26

In RM' Mil	Individual quarter ended Group		
	Sept 2024	Sept 2023	Var %
Revenue	9,726.9	9,916.0	(2)
Profit before taxation	445.9	261.7	70

QUARTERLY REPORT

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2024

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 RM189.1 million, attributed to lower average selling prices by 4%, negated by higher sales volume by 2%.

The Group recorded a PBT of RM445.9 million, an increase of RM184.2 million or 70% contributed by higher gross profit for all segments, offset by an increase in operating expenditure.

Retail Segment

Retail segment revenue increased by RM342.8 million or 7%, mainly contributed by higher average selling prices by 7% while volume remained comparable.

PBT recorded for the quarter was RM223.0 million, an increase of RM55.3 million or 33% against the corresponding quarter last year, mainly contributed by higher gross profit for Mogas in line with lower product costs and improved demand, offset by higher operating expenditure.

Commercial Segment

Commercial segment recorded a decrease in revenue of RM545.2 million or 11%, mainly attributed to lower average selling prices by 14% offset by higher sales volume of 4%.

PBT of RM203.8 million was recorded for the quarter, an increase of RM124.6 million against the corresponding quarter last year mainly due to higher gross profit for Diesel and Jet A1 on the back of favourable MOPS prices trend and improved demand. The increase in PBT was offset by higher operating expenditure.

Convenience Segment

Revenue recorded for the quarter was RM76.9 million, an increase of RM13.3 million or 21% contributed by higher sales for Kedai Mesra, Café Mesra and PETRONAS Shop merchandise during the quarter.

PBT recorded for the quarter was RM14.4 million, an increase of RM3.0 million or 26% against the corresponding quarter last year in line with higher gross profit mainly from demand for Kedai Mesra, Café Mesra and PETRONAS Shop merchandise.

c) Variation of results against preceding quarter

<i>In RM' Mil</i>	Individual quarter ended		
	Sept 2024	June 2024	Group Var %
Revenue	9,726.9	9,837.9	(1)
Profit before taxation	445.9	396.1	13

Revenue for the Group decreased by RM111.0 million or 1% as compared to the preceding quarter mainly contributed by lower sales volume of 1% with comparable average selling prices.

PBT for the quarter increased by RM49.8 million or 13% in line with lower operating expenditure, negated by lower gross profit mainly from higher product costs and less favourable MOPS prices trend.

QUARTERLY REPORT

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2024

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 2024	As at 31 December 2023	Variance (%)
Total assets	11,037,338	11,486,959	(4)
Total equity	6,047,260	5,836,722	4
Total liabilities	4,990,078	5,650,237	(12)
Return on equity (%)	19.2	16.8	14

Total assets recorded at RM11,037.3 million, a decrease by RM449.6 million or 4% mainly attributed to decrease in trade and other receivables. This was offset by higher cash and cash equivalents.

Total liabilities decreased by RM660.2 million or 12%, mainly attributed to decrease in trade and other payables. This was offset by higher taxation in line with profit during the period.

e) Highlight on Consolidated Statement of Cash Flows

<i>In RM'000</i>	Cumulative quarter ended 2024	30 September 2023	Variance (%)
Net cash generated from operating activities	3,005,559	781,389	>100
Net cash used in investing activities	(164,898)	(198,259)	(17)
Net cash used in financing activities	(698,665)	(770,565)	(9)

Net cash generated from operating activities was higher by RM2,224.2 million during the period mainly due to higher receipt of subsidy receivables.

Net cash used in investing activities was lower by RM33.4 million mainly due to lower spending on capital expenditures.

Net cash used in financing activities was lower by RM71.9 million mainly due to decrease in dividends paid during the period.

QUARTERLY REPORT

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2024

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 economic growth is projected to sustain its momentum in the final quarter with full year 2024 Gross Domestic Product ("GDP") projected to be between 4.8% and 5.3%*, supported by stronger domestic demand driven by consumer and investment spending. Nevertheless, downside external risks remain, emanating mainly from pace of global economic recovery, escalation of geopolitical conflicts and protectionist measures.

Against this backdrop, the resilient domestic economy continues to provide PETRONAS Dagangan with a conducive and supportive operating environment. The Group will remain focused on operational streamlining and efficiency as well as growing its core and non-fuel segments, including leveraging Setel and expanding Mesra's product offerings, to deliver seamless customer experience.

*Source: Media Release by Ministry of Finance ("MOF"), 15 November 2024

B3 PROFIT FORECAST OR PROFIT GUARANTEE

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

B4 TAX EXPENSE

Tax expense comprises the following:

<i>In RM'000</i>	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2024	2023	2024	2023
Current tax expenses				
Current period tax	109,713	112,010	314,213	301,916
Deferred tax expenses				
Origination and reversal of temporary differences	(3,780)	(50,365)	(1,626)	(39,282)
	105,933	61,645	312,587	262,634

The effective tax rate for individual quarter ended 30 September 2024 was 24%, comparable against the statutory tax rate. Effective tax rate for cumulative quarter ended 30 September 2024 was 27%, resulting from higher non-deductible expenses.

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 2024

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 2024	As at 31 December 2023
Non-Current		
<i>Secured</i>		
Lease liabilities	97,081	99,823
Current		
<i>Secured</i>		
Lease liabilities	24,751	51,396
<i>Unsecured</i>		
Sukuk facilities	—	1,000
	<u>24,751</u>	<u>52,396</u>
	<u>121,832</u>	<u>152,219</u>
	As at	As at
	30 September	31 December
	2024	2023
<i>In RM'000</i>		
By Currency		
<i>RM</i>		
Lease liabilities	108,227	103,401
Sukuk facilities	—	1,000
<i>USD</i>		
Lease liabilities	13,605	47,818
	<u>13,605</u>	<u>47,818</u>
	<u>121,832</u>	<u>152,219</u>

The lease liabilities and Sukuk facilities bear interest and profit margin at rates ranging from 3.41% to 8.43% per annum for 2024 and 2023 respectively.

b) Reconciliation of borrowings arising from financing activities:

<i>In RM'000</i>	As at 1 January 2024	Cash flows		Non-cash changes		As at 30 September 2024
		Net repayment	Profit margin/ Interest expenses	Addition	Others	
Sukuk facilities	1,000	(1,000)	(21)	—	21	—
Lease liabilities	151,219	(44,915)	(6,984)	14,252	8,260	121,832
	<u>152,219</u>	<u>(45,915)</u>	<u>(7,005)</u>	<u>14,252</u>	<u>8,281</u>	<u>121,832</u>

B7 MATERIAL LITIGATION

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

QUARTERLY REPORT

FOR THIRD QUARTER ENDED 30 SEPTEMBER 2024

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

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 2023.

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 24 sen per ordinary share amounting to RM238,428,960 for the third quarter ended 30 September 2024, payable on 24 December 2024 (Quarter 3 2023: 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 24 December 2024 to depositors registered in the Records of Depositors at the close of the business on 10 December 2024. 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 10 December 2024 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 2024.

	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2024	2023	2024	2023
Profit attributable to shareholders of the Company (RM'000)	335,134	184,718	837,566	762,265
Number of ordinary shares ('000)	993,454	993,454	993,454	993,454
Earnings per ordinary share (sen)	33.7	18.6	84.3	76.7

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 2024

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 2024	As at 31 December 2023
Trade receivables		
– Third party	1,477,752	1,842,473
– Related companies	205,635	246,018
Less:		
– Impairment loss: specific	(50,197)	(49,572)
– Impairment loss: general	(11,622)	(17,875)
	<u>1,621,568</u>	<u>2,021,044</u>
At net		
Not past due	1,533,310	1,925,399
Past due 1 to 30 days	16,021	59,819
Past due 31 to 60 days	3,567	8,579
Past due 61 to 90 days	4,001	3,813
Past due more than 90 days	64,669	23,434
	<u>1,621,568</u>	<u>2,021,044</u>

As at 30 September 2024, 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 2024

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	
	2024	2023	2024	2023
Profit for the period is arrived at after charging:				
Depreciation and amortisation*	123,805	115,069	353,984	338,607
Net impairment (write back)/loss on trade and other receivables	(1,937)	4,776	(5,977)	2,279
Net impairment loss on property, plant and equipment	2,473	5,745	9,796	5,745
Net (gain)/loss on disposal of property, plant and equipment	(1,834)	42	(2,342)	42
Net realised loss on foreign exchange	2,115	1,887	73	6,023
Net unrealised (gain)/loss on foreign exchange	(1,481)	366	447	2,890
Interest on lease liabilities	2,486	2,548	6,984	7,849
Net inventories written down to NRV	2,524	2,072	2,524	2,072
Net property, plant and equipment written off	12,319	2,177	20,209	2,177
Net property, plant and equipment expensed off	219	37	1,032	433
Bad debts written off	728	297	1,045	297
Profit margin on Sukuk facilities	3	9	21	9
and after crediting:				
Interest income	37,389	36,767	102,793	102,414
Income from rental of premises	658	310	2,555	1,087

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

*Includes depreciation on right-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 25 November 2024.

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

25 November 2024