

TARIKH : 2 JUN 2022
AKHBAR : NEW STRAITS TIMES
MUKA SURAT : 15

PETRONAS to hike dividend payout?

RM25b COMMITMENT FOR 2022

PETRONAS TO HIKE DIVIDEND PAYOUT?

Another RM10b-RM20b unlikely to greatly damage its net cash position, says analyst

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PETROLIAM Nasional Bhd's (Petronas) dividend payment to the government this year is likely to be more than the RM25 billion it previously committed, given the high oil price and the national oil firm's best quarterly profit in at least a decade, said industry observers.

Brent crude futures were trading near US\$123.60 per barrel yesterday while the United States West Texas Intermediate futures

ended at US\$117.31 a barrel on Tuesday.

Putra Business School Assoc Prof Dr Ahmed Razman Abdul Latif said a higher dividend payment was possible, considering that the government would be burdened by around RM28 billion in various subsidies this year.

"Therefore, there is the possibility that the government will expect a higher dividend from Petronas this year," he told *the New Straits Times* yesterday.

RHB Investment Bank Bhd (RHB Research) said it was highly likely Petronas would pay out



Petrolia Nasional Bhd's net profit in the first quarter ended March 31 jumped 154.15 per cent to RM23.44 billion from RM9.22 billion in the same period a year ago. FILE PIC

more, especially when the government's fuel subsidy cost was ballooning amid the high oil price.

"Petronas, in our view, has the capability to pay another RM10 billion to RM20 billion in special dividends in 2022-2023 without a significant deterioration to its net cash position."

RHB Research has maintained its 2022-2023 crude oil price forecasts at US\$104-US\$85 per barrel.

"We see upside to our forecasts, as the European Union's ban on

Russian oil is not within our base case," it said.

Kenanga Investment Bank Bhd (Kenanga Research) said Petronas had paid out a RM3 billion dividend to the government in the first quarter.

"A read-through of Petronas' first quarter results shows yet another strong set of earnings thanks to the higher average realised prices for all products, in tandem with the strength in crude oil price," it said.

Petronas announced on Tues-

day that its net profit in the first quarter ended March 31 jumped 154.15 per cent to RM23.44 billion from RM9.22 billion in the same period a year ago.

Group revenue rose 49.87 per cent to RM78.75 billion from RM52.55 billion previously.

The last time the average Brent price breached the US\$100 mark was in 2013. Petronas' full-year net profit for the year came in at RM65.59 billion, with RM20.37 billion achieved in the first quarter alone.