

## KERATAN AKHBAR

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### 'Petronas can fulfil commitment'

TOTAL RM50b DIVIDEND

## 'PETRONAS CAN FULFIL COMMITMENT'

Analysts say group has healthy cash flow after best-ever Q3 results in last decade

KUALA LUMPUR

**P**ETROLIUM Nasional Bhd (Petronas) will not face much problem in meeting its RM50 billion dividend commitment to the government for this year.

Analysts see little difficulty for the national oil firm in paying the amount, despite having paid only RM25 billion in the first nine months of the year.

The RM50 billion will be Petronas' second-highest annual dividend payout after 2019's RM54 billion.

"Petronas' net cash position stands at a healthy RM103 billion, the highest since end-financial year 2018. Hence, we see little difficulty for the group in meeting capital expenditure and dividend commitments," said Kenanga Investment Bank Bhd (Kenanga Research) analyst Steven Chan yesterday.

He expects the remaining RM25 billion to be paid in the upcoming quarter, in line with the national oil company's record earnings expected this year.

Petronas on Wednesday announced that its net profit almost doubled in the third quarter but warned of continuing volatility in oil and gas prices.

The group reported a net profit of RM30.8 billion in the July-September period, compared with a profit of RM16.3 billion in the same quarter a year ago.

Revenue surged 61 per cent to RM99.2 billion, fuelled by favourable prices for major products and the impact of the foreign exchange rate.

For the nine-month period, Petronas' net profit soared to RM77.2 billion from RM35.1 billion a year ago.

Group revenue surged to RM271.3 billion from RM171.4 billion previously.

Hong Leong Investment Bank Bhd (HLIB Research) said Petronas recorded its best-ever quarterly performance in the last decade in the third quarter with a core net profit of RM28.7 billion, up 27 per cent quarter-on-quarter and 134 per cent year-on-year.

This was mainly lifted by higher gas and downstream petroleum products.

This brought the group's nine-month core earnings to RM72.3 billion, or 158 per cent higher year-on-year.

HLIB Research thinks that 2023 will be the golden year for the oil and gas service providers.

Its top picks for the sector are Velesto Energy Bhd, Bumi Arma-



Petroleum Nasional Bhd announced that its net profit almost doubled year-on-year to RM30.8 billion in the third quarter, but warned of continuing volatility in oil and gas prices. PIC BY HAIRUL ANUAR RAHIM

da Bhd, Dayang Enterprise Holdings Bhd and Hibiscus Petroleum Bhd.

It also believes Velesto will turn the corner in the fourth quarter of this year as well as next year as its blended rig utilisation rates are expected to be healthy amid the pickup in drilling rig jobs.

Bumi Armada was a top pick given its foothold in the floating production storage and offloading business which provided steady recurring income, coupled with speedy enhancement in its debt profile and undemanding valuations, it said.

HLIB Research also said

Dayang Enterprise served to be a direct beneficiary of increasing offshore supply vessels and charter rates, among others.

"We strongly believe investors have not priced in the exquisite prospects of Hibiscus' profits and cash flows in the upcoming quarters," it added.