

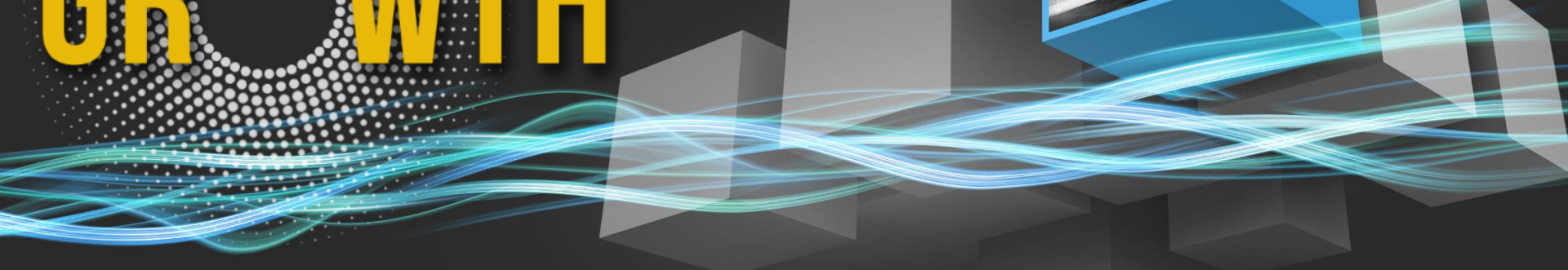


PETRONAS Dagangan Berhad

37th Annual General Meeting

25 April 2019

FUELLING
GROWTH





Operating Environment

FY2018 Performance

Fuelling Growth

Sustainability

Awards and Accolades

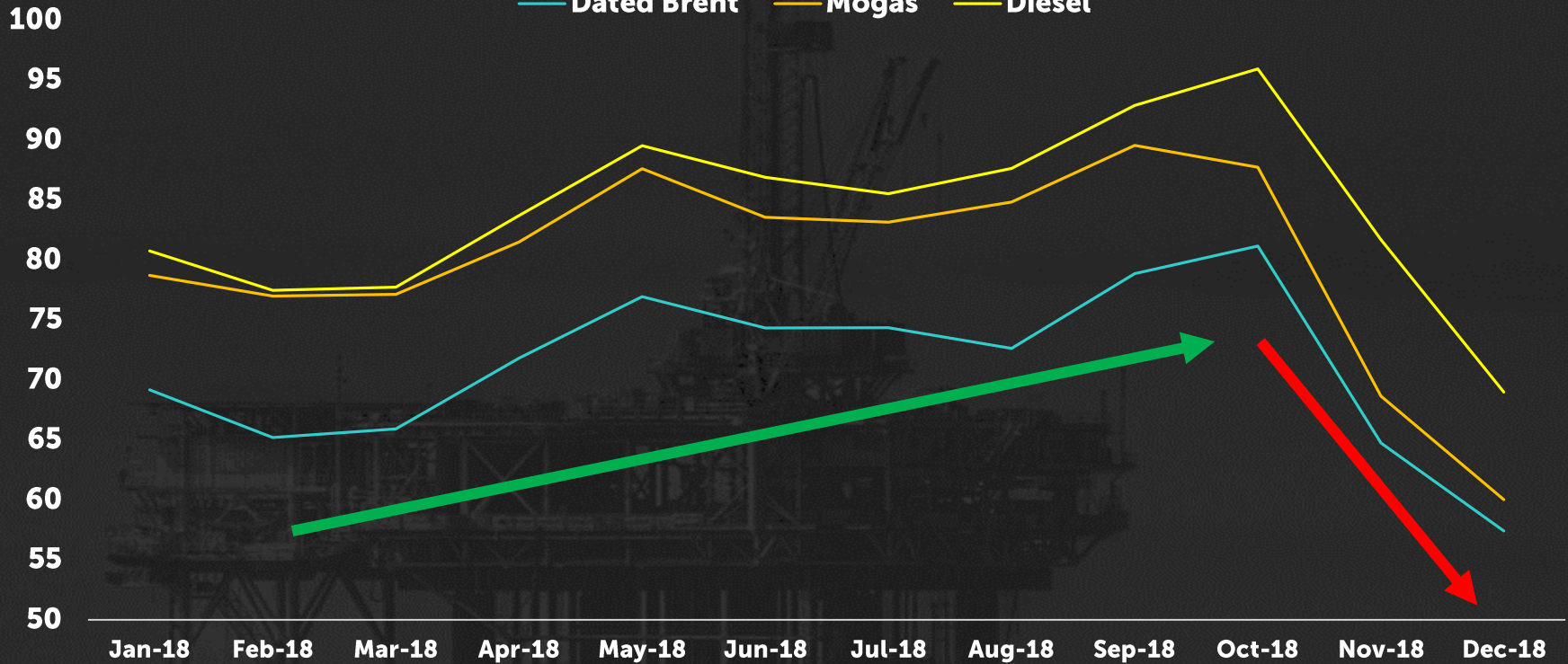
Future Aspirations

Continued volatility in crude and petroleum products prices with sharp decline in Q4 FY2018

USD/BBL

Crude and Petroleum Product Prices

Dated Brent Mogas Diesel



Moderate economic growth amid strengthening consumer sentiment



4.7

GDP (%)

2017: 5.9% **(-1.2%)**

107.1

Consumer Sentiment Index

2017: 79.3 **(+35%)**

599

Car Sales (Unit '000)

2017: 577 **(+4%)**

1.0

Inflation Rate (%)

2017: 3.7% **(-2.7%)**

118.7

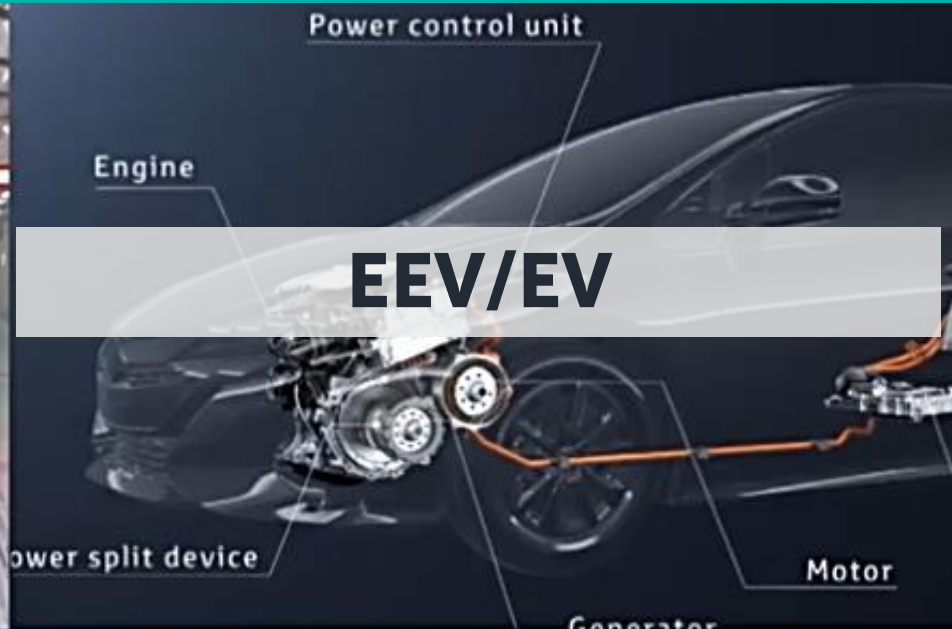
Manufacturing Index

Dec 2017: 113.7 **(+4%)**

Emerging business disruptors



**TRANSPORTATION
INFRASTRUCTURE**



EEV/EV



**TECHNOLOGY &
DIGITAL DEVELOPMENT**



GREEN AGENDA



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**THE COMPANY PULLED TOGETHER A
RESILIENT SET OF OPERATIONAL AND
FINANCIAL PERFORMANCE**

Commendable Financial Performance

861.5 PAT (RM million)

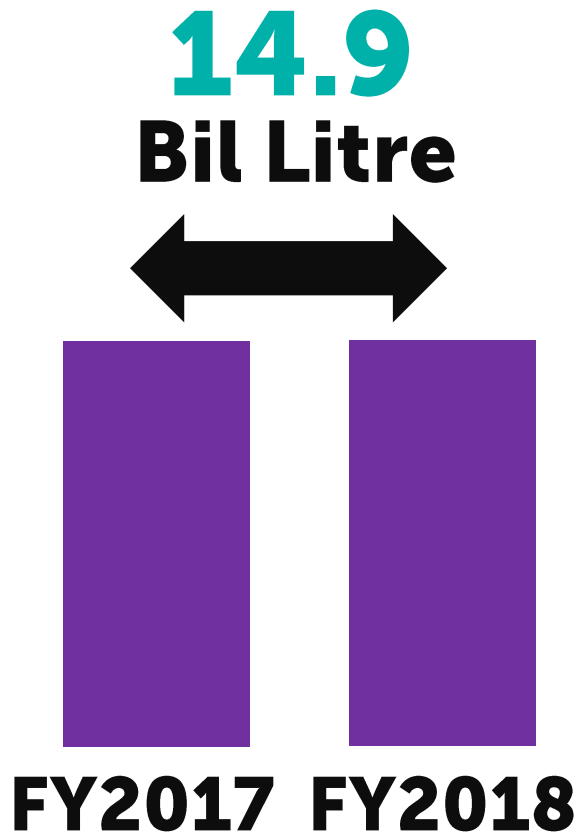
1,177.0 PBT (RM million)

70 sen Dividend (RM sen)

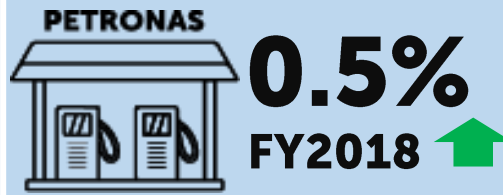
81% Dividend
Payout Ratio (%)

Consistently declared > Company's minimum dividend policy of **50%** of PAT

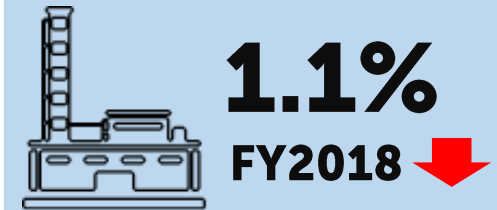
Sustained overall sales volume with growth across most business segments



Retail Business



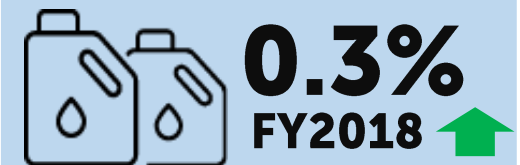
Commercial Business



LPG Business



Lubricant Business





Operating Environment

FY2018 Performance

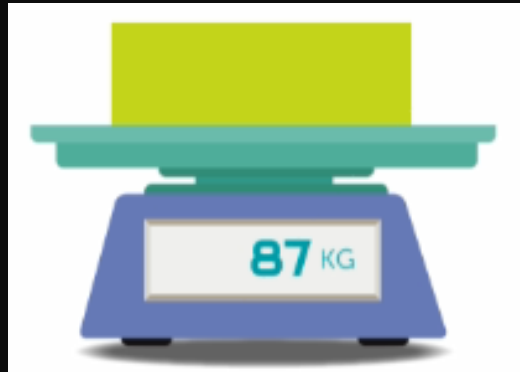
Fuelling Growth

Sustainability

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FUELLING GROWTH



**Balancing
immediate targets**



**Growing
for the future**

**WE RECORDED A COMMENDABLE
BUSINESS PERFORMANCE IN 2018**



Largest Network

REVENUE

↑ 3.7%

STATION
THROUGHPUT

≈ 1.0%

FOOD SALES

↑ 40.0%

Key Focus Areas

- 1 Defend and grow market position
- 2 Enhance dealers' performance
- 3 Improve stations' productivity and offerings



Aggressive asset upgrading to transform station ambience

REFURBISHED

≈300

PETRONAS STATIONS

UPGRADED

>100

MESRA NEW
LOOK AND FEEL

OPENED

>30

NEW Quick Service
Restaurants

Key Initiatives

- 1 Improvement in delivering superior customer experience
- 2 Enhance non-fuel income and collaborate with strategic Quick Service Restaurants partners



We expanded our network...



Silk Highway 2



Moyan, Sarawak



Lenggong Perak

>10

**NEW
PETRONAS STATIONS**

Key Initiatives

1 Right station at the right place

2 Expedite the roll-out of new stations and prioritising our land banks usage

...and increased availability of our product offerings at more stations



> 40

IN SABAH & SARAWAK

> 100

TOTAL NATIONWIDE

Key Initiatives

- 1** Continue improvement in product quality
- 2** Expand availability of PETRONAS Dynamic Diesel EURO 5 with Pro-Drive

Successful year-round marketing campaigns

APRIL - DISEMBER 2018

MESRA BONANZA

HANYA LERETKAN KAD MESRA
UNTUK MEMENANGI HADIAH HEBAT SETIAP BULAN!

HADIAH UTAMA DENGAN PERBELANJAAN TERKUMPUL
RM500 DALAM MASA 2 BULAN

**3x WANG TUNAI BERNILAI
RM50,000**

* Eksklusif untuk pengisian PETRONAS Primax 97

3x PAKEJ MENYAKSIKAN PERLUMBAAN FORMULA 1 DI LUAR NEGERA* bernilai sehingga RM40,000 setiap satu

10x PAKEJ PERCUTIAN KE DESTINASI PILIHAN bernilai sehingga RM20,000 setiap satu

14x YAMAHA NIX 155cc bernilai lebih RM10,000 setiap satu

14x SAMSUNG S5 CURVED SMART FULL HD TV bernilai sehingga RM5,700 setiap satu

HADIAH BULANAN DENGAN SETIAP PERBELANJAAN
RM30 DALAM SATU RESIT

100,000 mata ganjaran Mesra bernilai RM1,000

Partners: CIMB BANK, Maybank, watsons, LAZADA, SAMSUNG

www.mymesra.com.my

ARENA BOLA PETRONAS

3x RM3,000 TO BE SPENT IN ADIDAS STORE WEEKLY

3 PETRONAS STAFF STAND A CHANCE TO WIN ADIDAS SHOPPING VOUCHERS WORTH RM3,000

SPEND RM40 ON PETRONAS PRIMAX or PURCHASE 2 KOMBO BOLA IN KEDAI MESRA or SWIPE MESRA CARD FOR AUTOMATIC ENTRY!

Log on to arenabolapetronas.mymesra.com.my to redeem daily prizes!

PETRONAS COFFEE BREAK

The safest journeys are blessed with heart.

3x RM5.00 COFFEE VOUCHER FOR EVERY RM30 SPENT ON MESRA

Partners: NESCAFÉ, BISCOFF, M&S

iftar Mesra

HANYA RM5.00

100x RM1.00


150x RM1.50


Key Initiatives

- 1 Focus on marketing efforts via *Mesra Bonanza* campaign
- 2 Provide attractive rewards to our customers

Increased customer loyalty through the BEST Loyalty Programme in industry



 **17%**
NEW
KAD MESRA SIGN-UPS

 **15%**
ACTIVE
KAD MESRA MEMBERS

Key Initiatives

- 1** Focus on targeted *Kad Mesra* promotions
- 2** Collaborate with strategic business partners

Strategic partnerships to provide convenience

Co-Working Space



Banks and Others



Food Solutions



E-Commerce



Key Initiatives

- 1 Collaborate with strategic business partners to bring better value to our customers
- 2 Enhance cross merchant relationships



Commanding market leadership

REVENUE

↑ 17.2%

Key Focus Areas

- 1** Defend and grow market position
- 2** Strategic collaboration with dealers

Command market leadership in Malaysian Aviation industry

ACQUIRED

5

NEW

AIRLINES SUPPLY CONTRACT

Key Initiatives

- 1 Leveraging extensive presence at airports nationwide
- 2 Strengthen relationships with existing customers via differentiated offerings



**Malaysia's
No. 1
Cooking Gas**

REVENUE

↑ 2.2%

Key Focus Areas

- 1 Fortify market leadership**
- 2 Strengthen and expand dealership network**

Commendable LPG performance by redefining customer experience

Launched **LPG 14kg** cylinder for commercial customers

Launched sale of LPG cylinders at selected **PETRONAS** stations



Key Initiatives

- 1 New product offerings
- 2 New sales channel



Top tier lubricant products

REVENUE

 **6.0%**

Key Focus Areas

- 1** Grow market position
- 2** Improve product portfolio
- 3** Recruit and upskill capable dealers



World-class products with customised solutions

Continue to serve major Original Equipment Manufacturers

Secured a new long-term contract with the main rail operator

Key Initiatives

- 1** Appointment of new and capable Market Execution Partners and Premium Dealers
- 2** Continuous improvements in supply chain and end-to-end solutions to our customers



PROTON



PERODUA

HONDA

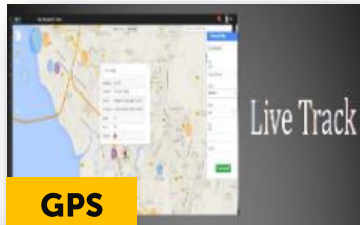


**SAFE, RELIABLE AND
EFFICIENT OPERATIONS TO CONSISTENTLY
FULFILL CUSTOMERS' EXPECTATIONS**



HSE remains our top priority

Transport Safety



Fuel Bar Sensor



On Board Camera

Process Safety



Behaviour Safety



Key Focus Areas

- 1 Conduct asset integrity programmes
- 2 HSE trainings to Contractors, *Rakan Niaga* and *Krew* PETRONAS
- 3 Scheduled and timely maintenance of our stations and terminals

Safety commitment extended to all of our customers



Go-To-Safety-Point

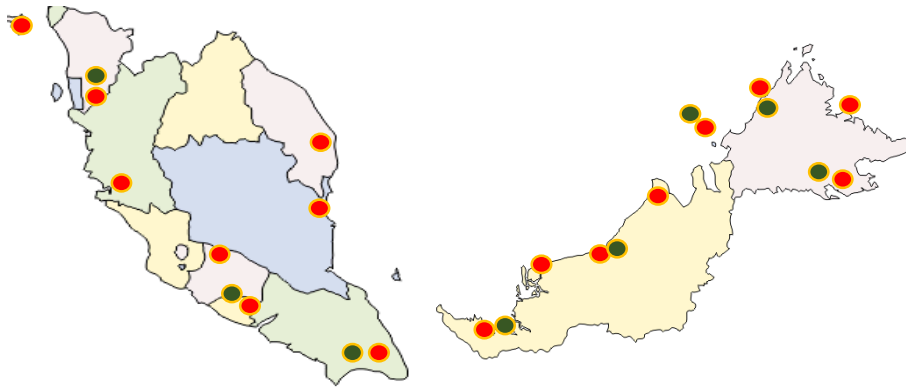
**LPG Cylinders
Safety Check**



Key Initiatives

- 1** Elevate customers' confidence by putting priority on safety and security in our business
- 2** Conduct Safety Programmes for local communities to raise awareness on LPG cylinders

Reliable and efficient operations



**Full implementation
of Digital Delivery
Note at all Fuel and
LPG Terminals**

**Achieved
98%
timely product
delivery**

**OUR HIGH PERFORMING WORKFORCE IS
OUR COMPETITIVE ADVANTAGE**



We attract the best talents and invest in their capability development

High Performance Work Culture



RM5 Million
Investment on training

1,571 Days
Total training man-hours

21.6 Hours
Average training man-hours



**FULL COMMITMENT FROM OUR PEOPLE TO
MAKE THE IMPOSSIBLE... POSSIBLE!**





FUELLING
GROWTH

Operating Environment

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Future Aspirations



**WE CONTINUE TO CREATE ECONOMIC,
ENVIRONMENT AND SOCIAL VALUE FOR
OUR STAKEHOLDERS**



Favourable returns to our stakeholders

Economic

INVESTORS

RM955 million

Dividends paid

**DEALERS,
CONTRACTORS/SUPPLIERS
AND BUSINESS PARTNERS**

RM27.6 billion

**Payments for product supplies,
services and assets upgrading**

**GOVERNMENT
AUTHORITIES & AGENCIES**

RM388 million

Taxes paid

Committed to protecting the environment where we operate in

Environment



50%

**Reduction in GHG emissions via
installation of LED lights**



5

**PETRONAS stations equipped with
Solar Panels**



**Re-use water for LPG cylinder
cleaning**

Giving back to the communities who have fuelled our business growth

Social

WATER FOR LIFE

900

Residents benefitted

PETRONAS STREETSMART

Reached 1,227 students

PETRONAS Coffee Break Campaign

Distributed 1.7 million cups of coffee





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Received prestigious awards in recognition of our achievements



**BRAND OF THE YEAR –
PUTRA BRAND AWARDS 2018**

1

**GOLD FOR AUTOMOTIVE –
FUEL, LUBRICANTS AND ACCESSORIES
– PUTRA BRAND AWARDS 2018**

2

**THE EDGE BILLION RINGGIT CLUB
AND CORPORATE AWARDS 2018**

3

**MSWG – ASEAN CORPORATE
GOVERNANCE RECOGNITION 2018**

4

MSOSH OSH AWARDS 2018

5

**NATIONAL ANNUAL CORPORATE
REPORT AWARDS 2018**



FUELLING
GROWTH

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**WE HAVE BEEN LISTENING TO OUR
CUSTOMERS TO UNDERSTAND
THEIR PAIN POINTS...**

**...WE LAUNCHED OUR TRANSFORMATION
PROGRAMME TO DELIVER A
SEAMLESS AND FRICTIONLESS
CUSTOMER EXPERIENCE**



We will anchor on three strategic focus areas to grow for the future



Transforming Customer Experience



Market Leadership



Leveraging Digital Innovation

Surge ahead with our new fuel...

NEW

PETRONAS PRIMAX 95 *with Pro-Drive*

- ✓ **SMOOTH**
- ✓ **RESPONSIVE**
- ✓ **EFFICIENT**



...and proven testimonials from our customers

NEW

**PETRONAS
PRIMAX 95**
with Pro-Drive

Move like
never before



Hoven Wen CH I get more millege for this pro drive petrol. extra 30 to 40 km per tank

Like Reply Message 1d

“I get **more mileage** for this pro-drive petrol. **Extra 30 to 40km per tank**”

-HOVEN WEN CH



Aiman Ismail Been using Petronas RON95 for years. My car definitely feels different this week. Better pickup and more efficient. Congrats Petronas!

Like Reply Message 1w

“My car definitely feels different. **Better pickup more efficient**”

-AIMAN ISMAIL



Lutfi Ashraf Terbaik petronas primax 95 with Pro Drive yg terbaru ni! Kereta rasa ringan. Dan minyak jimat. Enjin kereta senyap je. Memang berbeza dari primax 95 dlu. Mcm ni la minyak kebanggaan NEGARA KITA! 🙌

Like Reply Message 4d

“**Terbaik mileage** PETRONAS Primax 95 with Pro-Drive! Memang **berbeza** Memang dari Primax 95 dulu”

-LUTFI ASHRAF



Mohamad Amirudin Dah lama gila tak isi minyak petronas. 3 hari lepas saje aku isi. Aku mmm jenis minyak dah nk kering lentok merah baru nak isi. lepas tu 0 kan millege. Tetiba rasa lain kat kereta aku. Rasa lebih ringan, lebih power dan lebih jimat. Punya la hairan sampai aku stalk page petronas kat fb, rupanya minyak baruuu pro-drive. Mmg isi petronas je lepas ni. Tahniah Petronas

Wow Reply Message 6d

“Tetibe rasa lain kat kereta aku. **Rasa lebih ringan, lebih power & lebih jimat.** Rupanya minyak baruuu Pro-Drive!”

-MOHAMAD AMIRUDIN

New payment solution for a seamless experience



Introduced Setel,
**1st integrated petrol e-payment
solution in Southeast Asia**

#10YEARCHALLENGE #SETELDALAMKERETA

2009



2019



Available at

>100

PETRONAS stations

Number of downloads

>100K

#WeSetelForYou

Positive user feedback validating the convenient and smooth solution

Setel (Unreleased) has a new Google Play review

★★★★★

I love this app. It is so convenient to fill up and to be able to track my monthly fuel usage as well as Mesra Points earned. Petronas, please increase your Setel stations. Tq

by **FREDERICK FRANCIS GABRIEL** — Share — Reply

April 10, 2019 | Locale: English

“I love this app.

It is so **convenient** to fill up and to be able to track my monthly fuel usage as well as **Mesra Points earned**. PETRONAS, please increase your Setel stations.Tq.”

- **FREDERICK FRANCIS GABRIEL**

ReviewBot APP 12:34 PM

Setel (Unreleased) has a new Google Play review

★★★★★

terbaik, senang dan cepat.reload senang dan sangat cepat connect dgn pump.sangat berpuas hati dan recommend untuk guna apps ini

by **Mohd Ismail Ibrahim** — Share — Reply

April 8, 2019 | Locale: English

“Terbaik, senang dan cepat. Reload senang dan sangat cepat connect dgn pump.Sangat berpuas hati dan recommend untuk guna apps ini”

-**MOHD ISMAIL IBRAHIM**

ReviewBot APP 11:33 PM

Setel (Unreleased) has a new Google Play review

★★★★★

first time try this apps.. mudah pantas dan wow!!..

by **Ridh M** — Share — Reply

“First time try this apps..

Mudah, pantas dan WOW”

-**RIDH M**



Setel

Introduced innovative mobile fuel delivery service



**Moving forward, we will accelerate our
Transformation Programme to drive
seamless and frictionless experience for
all our customers**



**We THANK YOU for supporting our
journey and making us part of your
everyday lives...**





THANK YOU
www.mymesra.com.my
Move Like Never Before