Corporate Update

Petronas Dagangan Berhad

(5861 | PETD MK) Consumer Products & Services | Retailers

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Downgrade to NEUTRAL

(from BUY)

Revised Target Price: **RM22.20**

(from RM23.64)

DIESEL UP, WFH ENCOURAGED

Adjustments to domestic retail fuel measures. In light of the ongoing global energy crisis and the sustained increase in crude oil prices, the government has implemented a series of adjustments to domestic retail fuel measures. These developments reflect a policy shift aimed at managing the pass-through effects of elevated global energy prices on domestic consumers, while maintaining fiscal discipline.

Among the key measures introduced is the readjustment of retail pump prices, aligning domestic fuel pricing more closely with prevailing market conditions. This recalibration follows the sharp increase in global crude benchmarks, which have been driven primarily by supply-side disruptions and heightened geopolitical risks

Fuel Type	Current Price (per Litre)	Change
RON95 (Subsidised - BUDI95)	**RM1.99**	Unchanged
RON95 (Unsubsidised/Market)	**RM3.87**	Unchanged
RON97	**RM4.95**	↓ 20 sen
Diesel (Peninsular Malaysia)	**RM6.02**	↑ 50 sen
Diesel (Sabah, Sarawak, Labuan)	**RM2.15**	Unchanged

Source : MBSBR,MOF

To cushion the impact of rising fuel costs, particularly following the increase in diesel prices to RM6.02 per litre in Peninsular Malaysia, the government has introduced several targeted support mechanisms.

Increased Cash Assistance - Eligible recipients under the BUDI Diesel programme will receive an additional RM100 for the month of April, bringing total monthly assistance to RM300.

This enhancement is intended to provide immediate financial relief to lower- and middle-income groups that are disproportionately affected by higher transportation and logistics costs.

In parallel, the government has reintroduced Work-From-Home (WFH) arrangements as part of a broader strategy to reduce fuel consumption. Effective 15 April 2026, a phased WFH implementation will be rolled out across Federal Ministries, Government Agencies, Statutory Bodies and Government-Linked Companies (GLCs).

Private sector employers are also encouraged to adopt similar arrangements where feasible.

RETURN STATISTICS

Price @ 1st Apr 2026 (RM)	22.00
Expected share price return (%)	+1.0
Expected dividend yield (%)	+5.3
Expected total return (%)	+6.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-0.2	-2.3
3months	5.1	-8.1
12 months	3.5	-6.3

INVESTMENT STATISTICS

FYE Dec (RM m)	2026E	2027F	2028F
Revenue	39,755	40,764	41,987
Operating Profit	1,758	1,886	1,942
Profit Before Tax	1,741	1,868	1,924
Core PATAMI	1,177	1,267	1,305
Core EPS	122.0	131.5	135.4
DPS	118.6	125.3	129.1
Dividend Yield	5.3	5.7	5.9

KEY STATISTICS

FBM KLCI	1,708.90
Issue shares (m)	993.45
Estimated free float (%)	24.91
Market Capitalisation (RM'm)	20842.66
52-wk price range	RM16.1 - RM23.8
3-mth average daily volume (m)	0.65
3-mth average daily value (RM'm)	13.06
Top Shareholders (%)	
Petroliam Nasional Bhd	63.92
Employees Provident Fund Board	13.28
Amanah Saham Nasional Bhd	8.07

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The WFH policy will be executed on a selective and phased basis, ensuring operational continuity across critical sectors, notably frontline and essential services including healthcare personnel, Enforcement agencies (Police and Military) and the Education sector (teachers and school staff)

Downgrade to NEUTRAL. Based on these developments, fuel demand is expected to be adversely impacted, primarily driven by the phased implementation of work-from-home (WFH) arrangements and the increase in diesel prices. These factors are likely to moderate commuting-related consumption and weigh on near-term retail volumes. Accordingly, we revise our FY26 earnings forecast downward reflecting a more cautious demand outlook. In line with this, we downgrade our recommendation from BUY to **NEUTRAL**. Based on the application of the 5-year average P/E multiple of 18.2x, we derive a revised **target price of RM22.20** (from RM23.64).

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MBSB INVESTMENT BANK (formerly known MIDF INVESTMENT BANK) : GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology