

## Binh Son Refining and Petrochemical Joint Stock Company (HSX: BSR)

### Expansion Project Becoming Clearer

- We forecast BSR's net profit to reach VND 2,043 billion in 2025 (+223.7% YoY) and VND 3,799 billion in 2026 (+86.0% YoY), supported by stable crack spread dynamics that help improve gross margin and stronger output growth.
- The long-term outlook of BSR becomes clearer with the Dung Quat Refinery Upgrade and Expansion (NCMR) project, which is expected to be completed by Q3/2028. Post-NCMR, we estimate BSR's gross margin to reach 7.2%, thanks to the company's focus on more complex petrochemical products with higher value-added.
- We maintain our ADD recommendation with a target price of VND 30,200/share.

### Crack Spread at a Low but Stable Level Supports Margin Improvement

We revised up our 2025–2026 net profit forecasts by +69.7%/+29.4% versus prior estimates, with net profit expected to grow +223.7%/+86.0% YoY. Despite a projected decline in crack spreads, margins should improve on lower volatility and more efficient inventory management. The standard deviation of Asia's DO crack spread fell from ~3.8 in 2024 to ~3.5 in 1H2025, while BSR's inventory holding days are expected to drop from 47 to 41. These factors reduce the risk of inventory losses and support more stable margins.

### Long-Term Outlook from the Dung Quat Refinery Upgrade and Expansion Project Becoming Clearer

Amid supply–demand fluctuations and a narrowing crack spread in 2025–2026, the Dung Quat Refinery expansion is a key long-term growth driver. Completion will allow BSR to gain market share, shift to higher-value products, and lift gross margin to 7.2% by 2029 (+1.8 ppts vs. 2026).

### Recommendation: ADD with target price of VND 30,200/share

We issue an ADD recommendation on BSR with a target price of VND 30,200/share (up from VND 20,700/share), based on: (1) higher 2025–2026 earnings forecasts (+69.7%/+29.4% vs. prior), (2) clearer outlook for higher-value petrochemical products post-NCMR, (3) greater feedstock flexibility to lower COGS, and (4) the expected restart of BSR-BF to support the E5/E10 product line.

Financial indicators	2023	2024	2025F	2026F
Net Revenue	147,423	123,027	137,068	103,881
Net profit after tax & minority interest	8,650	736	2,043	3,799
Net revenue growth	-11.8%	-16.5%	11.4%	-24.2%
NPATMI growth	-41.3%	-91.5%	223.7%	86.0%
Gross profit margin	6.6%	0.4%	2.0%	5.4%
EBITDA margin	7.0%	1.2%	2.5%	6.4%
ROAE	15.9%	1.3%	3.6%	6.7%
ROAA	10.5%	0.8%	2.2%	3.7%
EPS (VND/share)	2,790	237	659	1,225
BVPS (VND/share)	18,511	17,902	18,246	18,881

Source: BSR, MBS Research's projection

**ADD**

**Target Price**

**30,200 VNĐ**

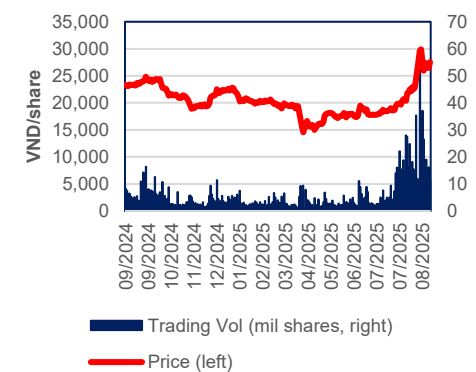
Upside (including dividend yield)

17.0%

**Major changes:**

Adjustment in Net Profit for FY2025-2026 is 69.7%/29.4%

### Stock Information



Source: FiinPro, MBS Research

Market Price (VND)	25,850
High 52w (VND)	29,900
Low 52w (VND)	14,550
Market Cap (VND bn)	85,419
P/E (TTM)	n/a
P/B	1.5
Dividend yield (%)	1.6%
Foreign ownership ratio (%)	0.52%

Source: FiinPro

### Ownership Structure

Petro Vietnam (PVN)	92.13%
KIM Vietnam Growth Equity Fund	0.53%

Source: FiinPro

### Analyst

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# Binh Son Refining and Petrochemical Joint Stock Company

## Investment Thesis & Recommendation

### Investment Thesis

- The Upgrade and Expansion project at Dung Quat Refinery is expected to raise refining capacity by 15% (from 148,000 bpd to 171,000 bpd), with output products meeting Euro 5 standards. Post-upgrade, more complex products are expected to improve BSR's profit margins in the long run. At the same time, the refinery will increase feedstock flexibility by being able to process various crude types (sour, heavy, high-sulfur), instead of relying mainly on light sweet crude as before → broadening supply sources and reducing risks in case of market volatility or disruption of traditional supply.
- Crack spreads are projected to decline in 2H25 due to abundant supply and sluggish demand recovery. It is likely that crack spreads will remain at low levels in 2026, preventing BSR from restoring profits to its previous peaks. However, we expect LPG crack spreads to improve, supported by rising domestic gas-to-power demand.
- Since January 17, 2025, BSR has been officially listed on HOSE and has the opportunity to be included in the VN30 index and become margin-eligible after six months of trading. We assess that BSR currently has sufficient market capitalization for VN30 inclusion; however, profitability and stock liquidity will also need to be monitored. The 61.5% stock dividend planned in 2025 is expected to partly enhance share liquidity given the company's relatively low free-float (~10%).

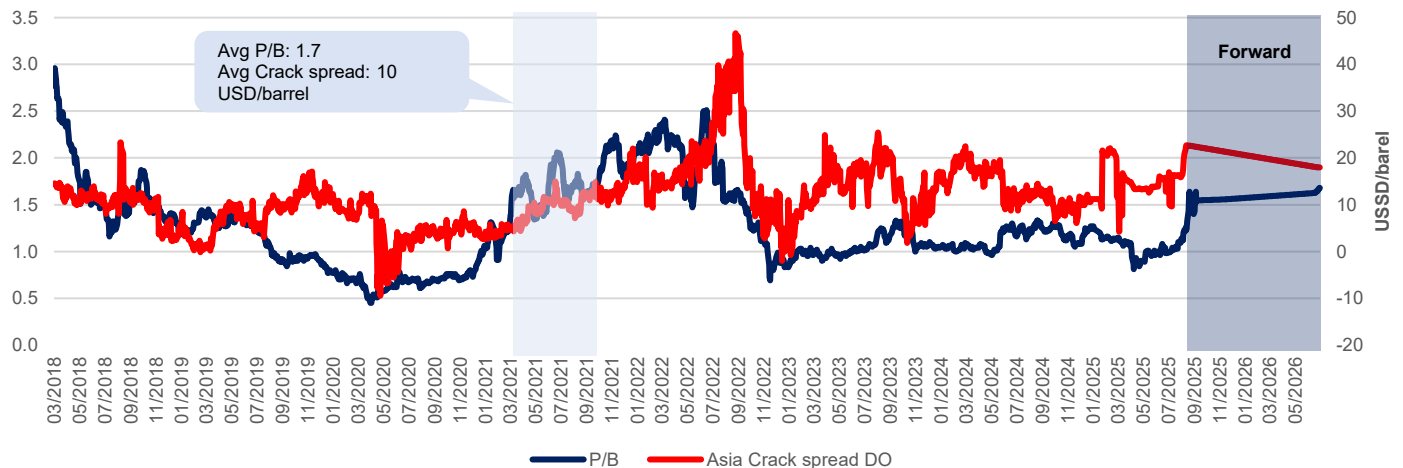
### Valuation & Recommendation

Using a blended valuation approach of FCFF and P/B with equal weights (50%/50%), we estimate the 1-year fair value of BSR at VND 30,200/share. We reference Asia's oil crack spread during Mar–Oct 2021, when the spread traded sideways around USD 10, corresponding to an average P/B of 1.7, which we apply as BSR's target P/B going forward. In addition, the long-term growth story from the Dung Quat Refinery Upgrade and Expansion project and the restart of the ethanol blending plant will further strengthen the company's long-term enterprise value.

Figure 1: Valuation Summary

Method	Weight	Price (VND/share)
FCFF	50%	30,700
Forward P/B	50%	29,700
<b>Target Price</b>		<b>30,200</b>
Current Price (closing price at September 09, 2025)		25,850
<b>Upside potential</b>		<b>17.0%</b>

Hinh 2: P/B of BSR and Asia crack spread



Source: FiinProX, MBS Research

Figure 3: Projected FCFF

	2025F	2026F	2027F	2028F	2029F
Profit after tax	2,032	3,780	5,796	7,199	6,917
Non-cash charges	2,242	2,243	2,251	3,132	4,017
Interest after tax	240	479	761	870	770
Working Capital Investment	2,802	7,100	1,300	3,035	(550)
Capex	(7,950)	(21,976)	(7,331)	(140)	(19)
FCFF	(634)	(8,373)	2,777	14,096	11,135

**Downside Risk:**

- Crack spread is highly volatile and tend to narrow, leading to shrinking profit margins and difficulties for BSR in setting product selling prices and managing costs.
- Delays in the project at Dung Quat Refinery could impact BSR's long-term outlook. Downtime due to project issues may disrupt production and reduce output.
- Preferential import tax policies for petroleum, E5/E10 ethanol blending mandates, and environmental/carbon fees could all directly affect BSR's business operations, requiring appropriate mitigation measures.

Figure 4: Peer Comparison

Company	Country	Ticket	Mkt cap mil USD	P/E		P/B		ROA%		ROE (%)	
				2024	2025F	2024	2025F	2024	2025F	2024	2025F
Gujarat State Petronet	India	GUJS IN Equity	2,666	16.2	n/a	1.5	1.5	14.8	12.0	15.9	10.3
S-Oil Corp	South Korea	010950 KS Equity	5,260	n/a	6.3	0.8	0.7	3.3	4.6	8.4	12.5
IRPC PCL	Thailand	IRPC TB Equity	883	n/a	n/a	0.4	0.3	0.4	1.5	1.3	3.2
Chevron Corp	USA	CVX US Equity	267,022	19.5	15.5	1.9	2.0	8.7	10.1	13.7	15.3
Bangchak Sriracha PCL	Thailand	BSRC TB Equity	717	n/a	38.1	0.7	0.8	5.2	7.4	11.3	15.2
Star Petroleum Refining PCL	Thailand	SPRC TB Equity	911	10.6	6.4	0.6	0.6	7.5	7.0	13.9	11.6
<b>Average</b>				<b>15.4</b>	<b>16.6</b>	<b>1.0</b>	<b>1.0</b>	<b>6.7</b>	<b>7.1</b>	<b>10.8</b>	<b>11.4</b>
Binh Son Refining and Petrochemical Joint Stock Company	Vietnam	BSR	3,236	71.8	33.9	1.0	1.5	0.8	2.2	1.3	3.6

Source: Bloomberg, MBS Research

## 2Q25 & 6M25 Results: Revenue growth but profit under pressure from narrowing crack spreads

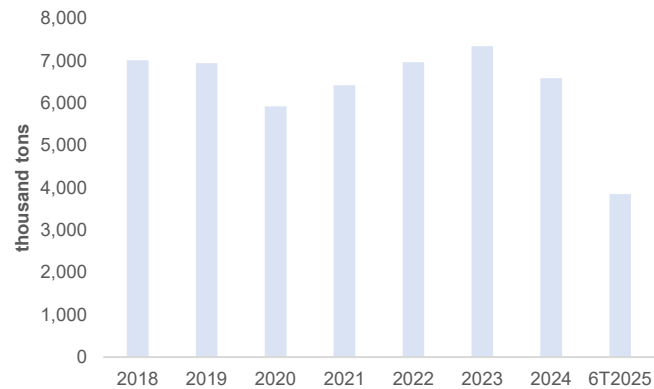
### Business Results of BSR in 1H25 and 2Q25

Figure 5: BSR's Business Results 2Q/2025 and 1H25 (Unit: VND bn)

Indicators	2Q/2025	%yoy	%qoq	6T25	%yoy	%2025F	Comments
Average Brent crude oil price (USD/bbl)	66.9	-21.2%	-10.8%	71.0	-15.3%		Global supply currently exceeds demand as OPEC+ and Saudi Arabia increased output. On the demand side, global consumption weakened partly due to trade conflicts and soft demand from China, India, and Brazil, putting downward pressure on oil prices.
Sales volume (thousand tons)	2,125	73.3%	23.2%	3,850	40.3%	56.8%	Output growth was supported by the Dung Quat Refinery's stronger-than-expected operating efficiency in 1H2025, averaging 116%.
Diesel Crack spread (USD/bbl)	13.9	-7.3%	-2.1%	14.0	-6.7%		
RON95 Crack spread (USD/bbl)	11.0	-23.1%	15.8%	10.4	-33.6%		
Jet fuel crack spread (USD/bbl)	13.0	-17.0%	-7.1%	13.9	-17.4%		
Revenue	36,772	50.6%	15.3%	68,667	24.6%	53.9%	Diesel and RON95 sales outperformed previous MBS forecasts.
Gross Profit	1,030	106.8%	169.5%	1,413	-19.4%	37.5%	Crack spreads in 2Q25 declined more than MBS's earlier estimates, leading to lower gross profit.
Gross Margin (%)	2.8%	0.8 đpt	1.6 đpt	2.1%	-1.1 đpt		
Financial Income	446	-40.3%	-4.1%	910	-28.1%	41.0%	Bank deposit interest income declined, with no recurrence of the one-off gain from the deconsolidation of BSR-BF. On May 27, 2024, BSR officially ceased control over its subsidiary Petrochemical Bio-Fuel JSC (BSR-BF) following its bankruptcy, leading to the deconsolidation of BF's financial statements. This event was recorded as a one-time extraordinary gain in BSR's financial statements.
Financial expenses	122	-11.7%	18.5%	225	-43.0%	14.2%	FX losses decreased significantly compared to our previous forecast.
Selling & G&A expenses	380	40.8%	34.5%	663	25.3%	45.0%	Higher insurance & transportation costs YoY.
PBT	981	16.8%	108.1%	1,453	-31.2%	48.6%	
Net profit after tax	847	10.2%	112.0%	1,246	-33.8%	42.3%	
NPATMI	846	8.2%	112.2%	1,245	-35.4%	42.0%	Q2 net profit improved significantly after a weak Q1 (-65.1% YoY); however, 1H2025 net profit remained subdued, reaching only 42% of MBS's previous full-year forecast.

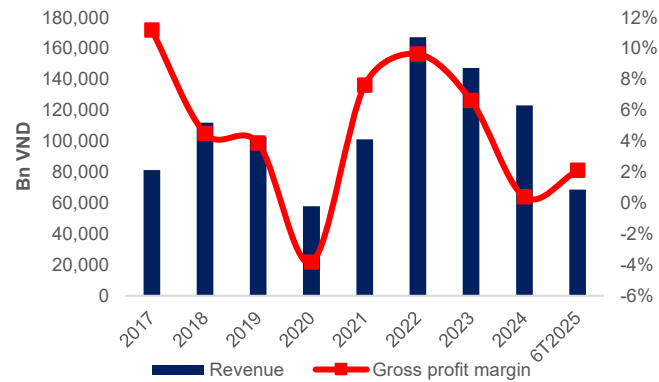
Source: BSR, MBS Research

Figure 6: BSR's Sales Volume



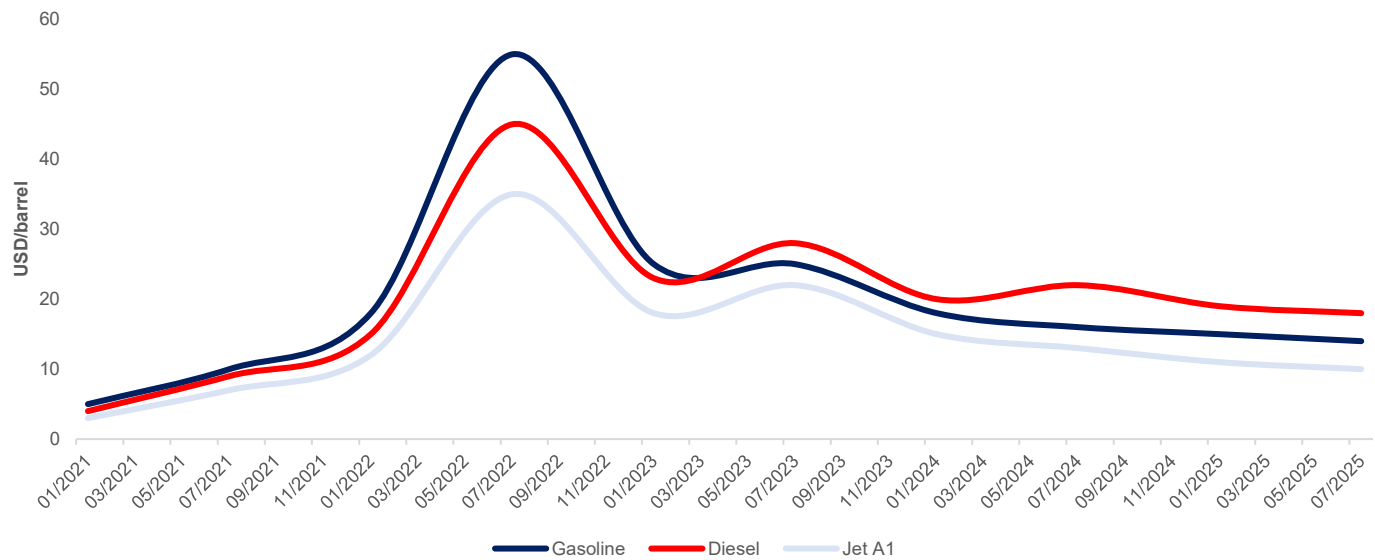
Source: BSR, MBS Research

Figure 7: BSR's Revenue & Gross Margin



Source: BSR, MBS Research

Figure 8: Asian Crack Spread by Product Lines



Source: EIA, MBS Research

## Earnings Forecast Revised Amid Continued Crack Spread Contraction

Figure 9: BSR's Forecasted Business Results for 2024–2026

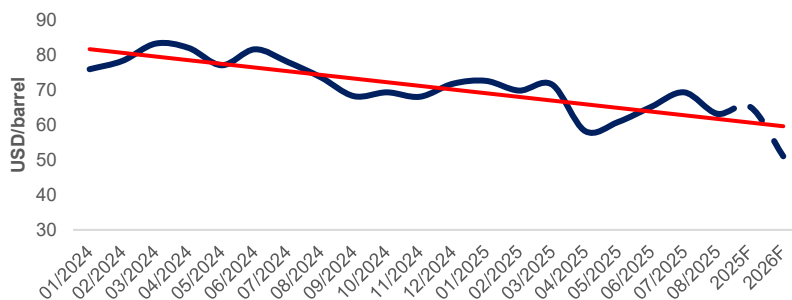
Business Performance Metrics	2024	2025F	forecast % Change	% yoy	2026F	Forecast % Change	% yoy	Assessment
Average Brent Crude Oil Price (USD/bbl)	80	64	-13.6%	-20.0%	51	-25.0%	-20.3%	Adjustment of oil price forecast in line with the global downward trend due to oversupply and weak demand.
Consumption Volume (thousand tons)	6,586	7,320	10.9%	11.1%	6,878	0.0%	-6.0%	In 1H2025, the refinery operated above plan at ~116% utilization, supporting higher output.
Gasoline Crack Spread (USD/bbl)	13.0	11.4	23.9%	-12.4%	9.8	-14.0%	-14.2%	Upward revision of gasoline crack spread as May–Aug prices exceeded previous forecasts.
Crack spread dầu diesel (USD/thùng)	14.4	11.2	-22.2%	-22.5%	10.1	-23.5%	-9.3%	Adjustments are based on six months 2025 crack spread situation and BSR's estimated forecasts for the second half of the year, reflecting diesel demand for industrial and logistics purposes.
Diesel Crack Spread (USD/bbl)	18.0	12.8	-7.9%	-29.0%	10.6	-17.8%	-17.0%	Adjustments are based on crack spread forecasts from WM and Platts, reflecting increased capacities at major refineries in 2025.
Revenue	123,027	137,068	4.4%	11.4%	103,881	-15.0%	-24.2%	Upward adjustments were made due to solid revenue growth in H1, primarily driven by diesel, RON95 gasoline, and LPG sales.
Gross Profit	491	2,735	7.0%	457.0%	5,601	11.5%	104.8%	Upward revision of gross profit on expectations of narrower crack spread volatility and improved inventory management in 2025 vs. last year.
Gross Profit Margin	0.4%	2.0%	0.1 đpt	1.6 đpt	5.4%	1.3 đpt	3.4 đpt	
Selling & Administrative Expenses (SG&A)	1,213	1,576	7.0%	29.9%	1,225	-6.4%	-22.3%	Transportation, insurance, product sales, and other cash expenses increased significantly YoY.
Finance Income	2,230	1,919	71.3%	-14.0%	1,510	56.5%	-21.3%	Downward adjustments were made due to lower interest rates and reduced total short-term investments compared to our previous forecast.
Finance Costs	800	584	-37.8%	-27.0%	1,199	-15.7%	105.2%	Finance costs and foreign exchange losses in six months 2025 were lower than forecasted.
Other Income	-2	47	-27.1%	n/a	37	-42.7%	-21.3%	
Profit Before Tax (PBT)	706	2,540	89.5%	259.9%	4,725	44.2%	86.0%	
Profit After Tax (PAT)	696	2,032	69.6%	191.9%	3,780	29.4%	86.0%	
Net Profit Attributable to Minority Interests (NPATMI)	631	2,043	69.7%	223.7%	3,799	29.4%	86.0%	Adjusted net profit is expected to increase compared to the previous forecast based on the actual business performance in the first half of 2025. Although the crack spread has declined, the company's revenue has shown reasonable growth. In addition, higher financial income and lower financial expenses also contribute to boosting BSR's net profit.

### Oil prices are expected to remain on a declining trend in 2H2025 and throughout 2026

In 1H2025, average oil prices stood at USD 68–71/bbl, down ~15% YoY due to geopolitical and economic uncertainties. Looking ahead, prices are expected to decline further in 2H2025–2026 amid stronger supply and weaker demand. The IEA forecasts 2025 liquids output to rise by 1.6 mb/d, mainly from Brazil and Canada, while OPEC+ adds 2.47 mb/d during Apr–Sep 2025 (equivalent to 2.5% of global demand). In 2H2025, supply is projected to increase by 2.2 mb/d versus demand growth of only 0.39 mb/d, creating a supply–demand imbalance that could persist into

2026. Oil price forecasts include Wood Mackenzie at USD 67.5, Platts at USD 62.7, and EIA projecting Brent at USD 51/bbl in 2026. We forecast average oil prices at USD 64/bbl in 2025 and USD 51/bbl in 2026.

Figure 10: Brent Oil Price Outlook



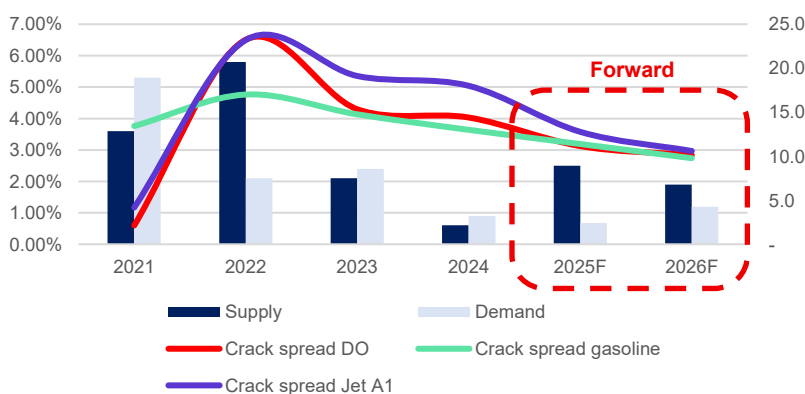
Source: Investing, MBS Research

### Crack spread of BSR continues to decline in 2025-2026

For 2025–2026, we forecast gasoline crack spreads to decline -12.4%/-14.2% YoY and fluctuate +23.9%/-14.0% versus our previous estimates. Diesel crack spreads are projected to fall -22.5%/-9.3% YoY, down -22.2%/-23.5% compared to our latest forecast. Jet fuel crack spreads are expected to drop -29.0%/-17.0% YoY and -7.9%/-17.8% versus MBS's prior projections.

- In 1H2025, crude price declines only mildly impacted BSR's products, keeping crack spreads relatively stable, with Diesel and Jet A1 supported by low inventories and steady transport demand. In 2H2025, crack spreads are expected to soften as new capacity in Oman, Kuwait, and Iraq comes online and Chinese demand eases. By year-end, Diesel/RON95/Jet A1 crack spreads are projected at USD 11.6/13.8/12.7 per barrel, averaging USD 11.2/11.4/12.8 for 2025.
- In 2026, crack spreads are expected to remain under pressure due to: (1) rising supply from OPEC+, Brazil, the US, and Canada; (2) slower demand growth amid the shift to EVs/hybrids; and (3) expanded global refining capacity from major projects such as Yulong, Dangote, and Duqm.

Figure 11: Estimated Global Oil Supply–Demand Growth and BSR's Crack Spreads



Source: EIA, BSR, MBS Research



## Long-Term Outlook and Financial Profile of BSR's Post-Dung Quat Expansion Project

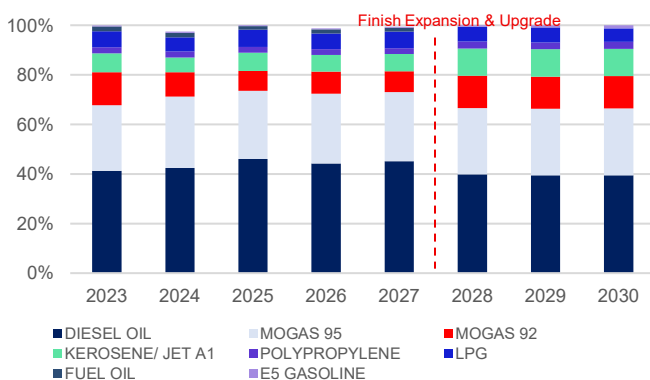
### Dung Quat Refinery Expansion Project as a Long-Term Growth Driver for BSR

Figure 12: Technical improvements before and after Dung Quat upgrade

Technical Specifications	Before upgrade	After upgrade
Crude Oil Feedstock	The refinery is primarily designed to process light sweet crude oil, particularly Bach Ho crude (accounting for over 80% of feedstock input). However, it has limitations in feedstock flexibility, as it is not yet capable of processing sour crude with high sulfur content or a diverse range of imported crude oils, resulting in dependence on domestic supply.	Capable of processing a variety of crude oils—including sour/sweet, light/heavy, and imported crude from the Middle East and West Africa—reducing dependence on Bach Ho crude, whose production is currently declining.
Product Quality	Most products only meet Euro 2–3 standards, which are no longer compliant with the new environmental regulations (Euro 5 policy effective from 2022).	All major products (gasoline, diesel (DO), Jet A1, LPG) meet Euro 5 standards, with sulfur content significantly reduced (<10 ppm compared to 500 ppm previously). This complies with the government's environmental roadmap and enhances competitiveness against imported fuels.
Product Mix	Fuel oil (FO, mazut) accounts for approximately 25–30% of production, resulting in low value and limited marketability. Gasoline, diesel, and jet fuel have limited production volumes, which constrains profit optimization.	Increase in clean fuel production: <ul style="list-style-type: none"> <li>Gasoline &amp; Diesel: higher proportion, accounting for over 70% of total production.</li> <li>Jet fuel and LPG: increased output to meet domestic demand and support exports.</li> </ul> → Overall crack spread is improved due to a reduction in low-value products
Operational Efficiency	Limitations in processing technology: the refinery lacks sulfur treatment units and units to improve octane/cetane ratings, resulting in products that are not competitive with imported fuels.	Reduction in processing costs per barrel by utilizing cheaper crude oil (heavier sour crude is typically priced lower than sweet crude). Enhances system longevity and operational stability.
Complementary Technology		<ul style="list-style-type: none"> <li>Hydrotreater Unit</li> <li>(Hydrocracking/Desulfurization): removes sulfur and improves the quality of gasoline and diesel.</li> <li>Cracking Unit Upgrade: increases the yield of light products (light distillates).</li> <li>New crude oil storage tanks: enhance blending capabilities and improve import flexibility.</li> </ul>

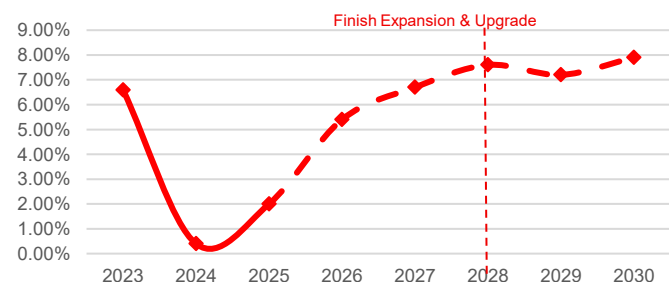
The Dung Quat Refinery Upgrade and Expansion project (VND 36,397 billion; 60% equity, 40% debt) is slated for completion in Q3/2028. Capacity will rise ~15% to 171,000 bpd, with improvements in product quality (Euro 5, higher gasoline/diesel yield) and feedstock flexibility to enhance crack spreads and margins. The project also supports domestic demand growth of 2–3% annually, as current refineries meet only 70–75% of consumption.

Figure 13: Estimated products portion of BSR



Source: BSR, MBS Research

Figure 14: Estimated gross profit margin of BSR



Source: BSR, MBS Research

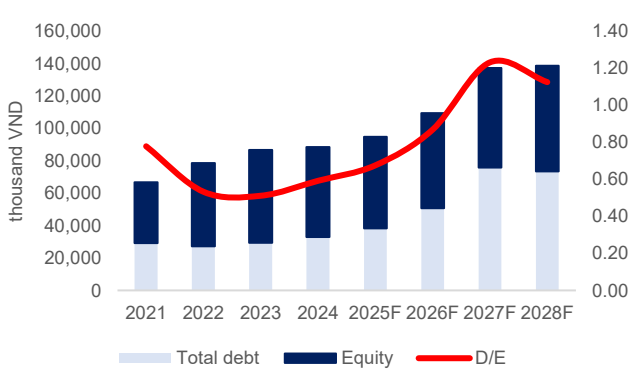


Dividend Policy and Financial Outlook of BSR Post-Major Investment Project

At the 2025 AGM, BSR approved a 61.5% bonus share and stock dividend issuance, raising charter capital from VND 31 trillion to over VND 50 trillion and lifting outstanding shares above 5 billion. The move aims to conserve cash for the Dung Quat project. While BSR has paid 3–7% cash dividends annually in recent years, we expect a suspension until 2028 as cash flow is redirected to the project, supporting long-term value through scale expansion and margin improvement.

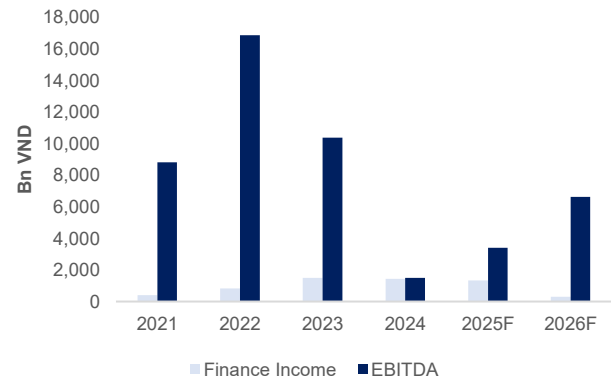
The Dung Quat project (VND 36,397 billion) will be 40% debt-funded, with disbursements accelerating in 2026–2027. Total debt is projected to peak at VND 45,571 billion in 2027, though the debt-to-equity ratio should stay safe at 1.12 given BSR’s strong capital base. Post-upgrade, gross margin is expected at 8.5–9.5%, with revenue reaching VND 151,373 billion by 2030 as capacity rises ~15% per year.

Figure 15: Estimated debt and equity of BSR



Source: BSR, MBS Research

Figure 16: Finance Income & EBITDA of BSR



Source: BSR, MBS Research

Petroleum Policies 2025–2026: Key Drivers of BSR’s Operations

BSR’s revenue and margins are significantly affected by fuel policies and consumption trends. We expect 2025–2026 to be a relatively challenging period for the company given policy shifts.

Figure 17: Impact of key policies on BSR

Policy	Content	Effect
Promote E5/E10 gasoline	The policy to promote E5/E10 gasoline will aim to increase the proportion of biofuels to reduce emissions, proposing a roadmap to transition to E10 gasoline starting from 2026.	<p>If this roadmap is implemented, BSR may need to invest additionally in ethanol storage systems and blending stations to increase the production of ethanol-blended gasoline. Moreover, the company would also depend on ethanol supply and experience price fluctuations, which are influenced by tax policies and incentives compared to regular gasoline.</p> <ul style="list-style-type: none"><li>➔ Long term: Limited impact due to the shift in product structure.</li><li>➔ Short term: High investment costs and risk of margin reduction.</li></ul>
Import tax reduced to 0%	In Vietnam, retail fuel prices are calculated based on the base price, which takes into account import factors (e.g., imported gasoline from Singapore was subject to an 8% tax). However, BSR did not bear this tax when selling domestically, giving it a competitive advantage in local prices. Since 2024, this ‘tax shield’ protecting BSR no longer exists, as Vietnam decided to reduce the import tax to 0% when calculating the base price.	BSR will no longer benefit from lower input costs compared to its competitors as before; instead, the company will have to compete based on product quality, crack spread, and production costs.

## FINANCIAL STATEMENTS

Income Statement					Cash Flow Statement				
	2023	2024	2025F	2026F		2023	2024	2025F	2026F
Net Revenue	147,423	123,027	137,068	103,881	Profit before tax	9,639	736	2,540	4,725
Cost of good sold	(137,664)	(122,536)	(134,333)	(98,280)	Depreciation and amortization	2,270	2,221	2,242	2,243
Gross Profit	9,760	491	2,735	5,601	Taxes paid	(887)	(523)	(508)	(945)
Administrative expenses	(623)	(561)	(754)	(571)	Other adjustments	-	-	0	29
Selling expenses	(1,032)	(652)	(822)	(654)	Changes in Working Capital	2,852	(745)	1,166	4,469
Profit from operation	8,104	(722)	1,159	4,376	<b>Cash flow from operations</b>	<b>11,673</b>	<b>(80)</b>	<b>4,109</b>	<b>9,626</b>
Net EBITDA	10,374	1,498	3,401	6,620	Investment in PPE	(230)	(521)	(7,950)	(21,976)
<b>Pre-tax &amp; interest income</b>	<b>8,104</b>	<b>(722)</b>	<b>1,159</b>	<b>4,376</b>	Proceeds from sales of PPE	1	1	-	-
Interest Income	2,652	2,230	1,919	1,510	Other items	(17,646)	8,509	(14,479)	8,092
Financial expenses	(1,155)	(800)	(584)	(1,199)	<b>Cash flow from operations</b>	<b>(17,874)</b>	<b>7,989</b>	<b>(22,430)</b>	<b>(13,884)</b>
Other net income	38	(2)	47	37	Share issuance & contributions from shareholders	-	-	-	-
Income from associates & JVs	-	-	-	-	Net cash from borrowings	1,989	6,014	4,448	13,077
<b>Pre-tax profit</b>	<b>9,639</b>	<b>706</b>	<b>2,540</b>	<b>4,725</b>	Other cash flow from financing activities	-	-	-	-
Corporate income tax	(1,047)	(10)	(508)	(945)	Dividends, profit paid to shareholders	(2,166)	(2,180)	-	-
Net profit after tax	8,593	696	2,032	3,780	<b>Cash flow from financing</b>	<b>(177)</b>	<b>3,834</b>	<b>4,448</b>	<b>13,077</b>
Minority interests	57	40	10	19	Beginning cash & equivalents	22,853	17,001	28,995	15,123
<b>Net Profit</b>	<b>8,650</b>	<b>736</b>	<b>2,043</b>	<b>3,799</b>	Net cash flow over the year	(6,377)	11,742	(13,872)	8,818
Dividend payment	(2,166)	(2,180)	-	-	<b>Ending cash &amp; equivalents</b>	<b>17,001</b>	<b>28,995</b>	<b>15,123</b>	<b>23,942</b>
Retained earnings	6,484	(1,444)	2,043	3,799					
Balance Sheet					Financial ratios				
	2023	2024	2025F	2026F		2023	2024	2025F	2026F
Cash and cash equivalents	17,001	28,995	15,123	23,941	Net revenue growth	-12%	-17%	11%	-24%
Short-term investments	21,122	14,022	27,414	20,776	EBITDA growth	-38%	-86%	127%	95%
Account receivable	13,986	11,895	13,144	9,961	Operating profit growth	-45%	-109%	-260%	278%
Inventory	15,531	15,891	14,939	10,929	Pre-tax profit growth	-38%	-93%	260%	86%
Other current assets	1,041	713	1,401	1,084	Net profit growth	-41%	-91%	177%	86%
Total current assets	68,681	71,516	72,020	66,692	EPS growth	-41%	-91%	140%	47%
Fixed assets	15,827	13,020	12,784	10,663					
Intangible assets	245	196	132	66	Gross profit margin	6.6%	0.4%	2.0%	5.4%
Construction in progress	1,195	1,352	7,360	29,280	EBITDA margin	7.0%	1.2%	2.5%	6.4%
Investment in subsidiaries	-	-	-	-	Net profit margin	5.9%	0.6%	1.5%	3.7%
Income from associates and joint ventures	-	-	-	-	ROAE	15.9%	1.3%	3.6%	6.7%
Other long-term investments	10	10	10	10	ROAA	10.5%	0.8%	2.2%	3.7%
Other long-term assets	638	2,294	2,468	2,631	ROIC	12.7%	1.0%	2.8%	4.3%
Total long-term assets	17,914	16,871	22,753	42,649					
<b>Total assets</b>	<b>86,595</b>	<b>88,387</b>	<b>94,774</b>	<b>109,341</b>	Asset turnover	178.6%	140.6%	149.7%	102.5%
Short-term debts	10,970	15,857	14,523	16,244	Dividend payout ratio	25.0%	296.1%	0.0%	39.5%
Account payables	14,616	14,473	14,634	10,327	Debt to equity	19.2%	28.6%	30.8%	53.5%
Other short-term liabilities	2,856	1,654	5,281	9,179	Net debt to equity	-10.5%	-23.7%	4.1%	14.2%
Total short-term liabilities	28,442	31,984	34,438	35,750	Net debt to total assets	-7.0%	-14.9%	2.4%	7.5%
Long-term debts	-	-	2,912	14,268	Interest coverage	28.2	(2.8)	3.9	7.3
Other long-term liabilities	884	865	839	791					
Total long-term liabilities	884	865	3,751	15,058	Days of sales outstanding	35	35	35	35
<b>Total liabilities</b>	<b>29,326</b>	<b>32,849</b>	<b>38,188</b>	<b>50,808</b>	Days of inventory	41	47	41	41
Shared capital	<b>31,005</b>	<b>31,005</b>	<b>50,073</b>	<b>50,073</b>	Days of payables outstanding	39	43	40	38
Additional paid-in capital	-	-	-	-	Liquidity ratio	2.4	2.2	2.1	1.9
Treasury stock	-	-	-	-	Quick ratio	1.9	1.7	1.7	1.6
Retained earnings	<b>16,340</b>	<b>11,826</b>	<b>4,850</b>	<b>6,061</b>	Cash ratio	1.3	1.3	1.2	1.3
Reserve funds	<b>10,048</b>	<b>12,675</b>	<b>1,640</b>	<b>2,396</b>	Valuation				
Effects of changes in foreign exchange rates	-	-	-	-	EPS (VND/share)	2,790	237	659	1,225
Shareholders' equity	<b>57,393</b>	<b>55,506</b>	<b>56,563</b>	<b>58,530</b>	BVPS (ND/share)	18,511	17,902	18,246	18,881
Minority interests	(125)	32	22	3	P/E (x)	5.8	67.7	25.9	13.9
Total shareholders' equity	<b>57,269</b>	<b>55,538</b>	<b>56,585</b>	<b>58,533</b>	P/B (x)	0.9	0.9	0.9	0.9
<b>Total shareholders' equity</b>	<b>86,595</b>	<b>88,387</b>	<b>94,774</b>	<b>109,341</b>	Net cash per share	5,422	5,424	5,595	5,686
					Dividend yield	2.7%	2.7%	0.0%	0.0%

(\*) Note: Data items marked with (\*) are calculated based on the number of outstanding shares at the end of 2024 to ensure consistency of comparison.

Source: BSR, MBS Research projection

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## MBS RECOMMENDATION FRAMEWORK

### Stock Ratings

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

ADD	The stock's total return is expected to reach 15% or higher over the next 12 months
HOLD	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months
REDUCE	The stock's total return is expected to fall below negative 10% over the next 12 months

### Sector Ratings

POSITIVE	Stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
NEUTRAL	Stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
NEGATIVE	Stocks in the segment have, on a market cap-weighted basis, a negative absolute recommendation

## ABOUT MBS

Founded in May 2000 by the Military Commercial Joint Stock Bank (MB), MB Securities Joint Stock Company (MBS) is one of the first six securities companies in Vietnam. After years of development, MBS has grown into one of the premier brokerage houses in the country. In two consecutive years between 2009 and 2010, MBS leads the brokerage house in terms of market share on both Hanoi Stock Exchange (HNX) and HCMC Stock Exchange (HOSE) and continuously ranked among the Top 5 of market share at both stock exchanges.

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*Anh Mai Duy*

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