

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

- BSR's 2Q24 and 1H24 net profit was negatively affected (-41.7% yoy and -35% yoy, respectively) by narrow cracks spread and the 48-day maintenance.
- FY24F net profit may decline by 43.6% and bounce back by 20% in FY25F thanks to increasing output. We expect long-term growth driver of BSR to come from the upgrade and expansion project, which will be completed by 3Q28F.
- Recommend ADD with a target price of 27,400 VND/share thanks to the expectation that switching to HOSE will enhance BSR's transparency.

### 2Q24 earnings declined sharply due to the 5<sup>th</sup> Turn Around (TA5)

In Q2/24, BSR's consumption output decline by 33% yoy and 19.1% qoq, mainly due to the shut-down, turn-around maintenance process. Average Asian gasoline crack spread in 2Q24 declines by 16.4% yoy and 21.6% qoq, even in the travel season, indicating a lower-than-expected demand recovery. Lower volume, along with narrower crack spreads, leads to a sharp decline in BSR' revenue and profit in 2Q24 and 1H24. Net profit after tax and minority interest of BSR decreases by 32% and 35% in 2Q24 and 1H24, respectively.

### Increasing capacity is the long-term growth driver, as crack spreads are likely to remain low in the near term

We do not expect crack spread to increase significantly in the middle-term as the global refining capacity will gradually increase through 2028. However, BSR still has its own long-term growth driver as the upgrade and expansion project, which is expected to come into force in 28Q3, will increase total capacity by 15% and increase the complexity index of the refinery. BSR's crack spreads are anticipated to reach regional level since 2029 when the expansion project has fully completed.

In the near term, we anticipate that average Asian gasoline crack spreads may decline at least until 2025, as OPEC+ will terminate their voluntary output cuts and global refining supply is gradually increasing. We anticipate that BSR' net profit will decline by 43.6% yoy in 2024F as being negatively affected by low crack spread and low output. However, the consumption output of BSR will increase in 2025F as the maintenance process ends, which may drive BSR's net profit to increase by 20% yoy.

### Recommend ADD with target price of 27,400 VND/share

The target price is based on an equal weighting of a 10-year-forecast FCFF model and multiple valuation with target P/B of 1.32x (2.5% higher than historical 5y average P/B). The 10y FCFF model may reflect more comprehensively the potential of the upgrade and expansion project after 2028F. The potential listing on HSX (estimated in early 2025) might support BSR to present in some important indexes, giving the stock more attention from domestic and foreign investors as well as higher multiple valuation.

Financial indicators	2023	2024F	2025F	2026F
Net revenue	147,423	127,610	132,199	132,131
Net profit after tax & minority interest	8,650	4,880	5,858	5,008
Net revenue growth	-11.8%	-13.4%	3.6%	-0.1%
NPATMI growth	-41.3%	-43.6%	20.0%	-14.5%
Gross profit margin	6.6%	4.5%	5.3%	4.7%
EBITDA margin	7.0%	5.2%	5.8%	5.4%
ROAE	15.9%	8.2%	9.2%	7.4%
ROAA	10.5%	5.6%	6.3%	5.0%
EPS (VND/share)	2,790	1,574	1,889	1,615
BVPS (VND/share)	18,511	19,746	21,289	22,565

Source: BSR, MBS Research's projection

ADD

Target price

VND 27,400

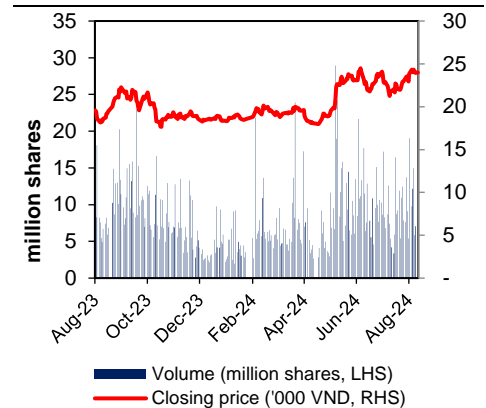
Upside (including dividend yield)

15.0%

Major changes:

n/a

### Stock information



Source: FiiPro, MBS Research

Market price (VND)	24,000
High 52w (VND)	24,500
Low 52w (VND)	17,400
Market cap (VND bn)	74,722
P/E (TTM)	10.0
P/B	1.3
Dividend yield (%)	1.3%
Foreign ownership ratio (%)	0.8%

Source: <https://s24.mbs.com.vn/>

### Ownership structure

PetroVietnam	92.13%
KIM Vietnam Growth Equity Fund	0.53%
Others	7.34%

Source: <https://s24.mbs.com.vn/>

### Analyst



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## Binh Son Refining and Petrochemical JSC (BSR)

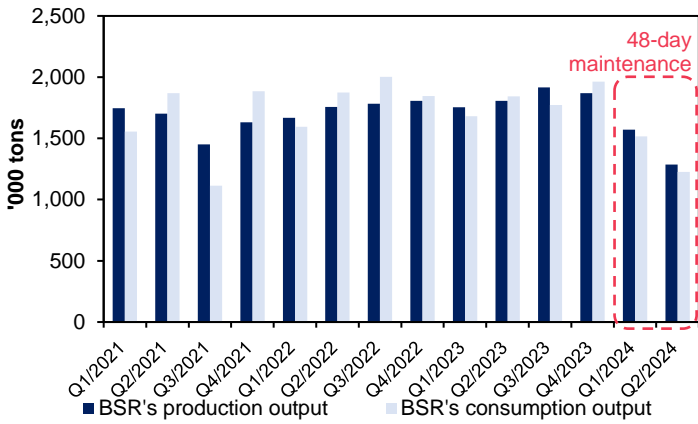
### 2Q24 and 1H24 recap: Sharp decline in net profit due to maintenance and narrower crack spread

Figure 1: 2Q24 and 1H24 business results (Unit: VND bn)

	2Q24	% yoy	% qoq	1H24	% yoy	Comments
Consumption output ('000 tons)	1,226	-33.1%	-19.1%	2,743	-21.5%	Both production output and consumption output decline due to the 5 <sup>th</sup> Turn Around (TA) with 48-day maintenance.
Brent crude oil price (USD/bbl)	85.0	9.4%	4.0%	83.4	4.3%	
Asian gasoline crack spread (USD/bbl)	13.8	-16.4%	-21.6%	15.7	-5.9%	
Asian diesel crack spread (USD/bbl)	17.5	18.7%	-28.3%	20.9	3.5%	Low base in 2Q23 due to weak demand supports yoy growth of diesel oil crack spread, however the spread has narrowed compared to the last quarter (1Q24) and to average 2023.
Asian jet kero crack spread (USD/bbl)	14.4	-0.9%	-31.6%	17.7	-14.6%	Although travel demand improves, jet fuel demand has been outpaced by the growing supply. The jet fuel crack spread keeps declining from 2Q23 to 2Q24, but is showing signs of recovery in early 3Q24.
<b>Revenue</b>	<b>24,424</b>	<b>-27.5%</b>	<b>-20%</b>	<b>55,113</b>	<b>-18.6%</b>	The 48-day maintenance affected BSR's output and revenue in late 24Q1 and the first 2 months of 2Q24
Gross profit	498	-57.7%	-60%	1,754	-46.0%	
Gross profit margin	2.0%	-1.5% pts	-2.1% pts	3.2%	-1.6% pts	Narrower crack spreads in 2Q24 along with costs incurred during the maintenance process cause BSR's gross profit margin to be lower on yoy and qoq basis. However, the costs incurred in the TA5 are significantly lower than the cost incurred in TA3 and TA4.
SG&A expenses	270	-19.2%	4%	529	-29%	
% SG&A expenses/ Revenue	1.1%	0.1% pts	0.3% pts	1.0%	2.1% pts	
Financial income	746	59.1%	43%	1,266	-1%	One-off financial income of approximately VND 391 bn thanks to terminating consolidation of BSR-BF.
Financial expenses	138	n/a	-46%	394	-19%	
Pretax profit	840	-43.0%	-34%	2,112	-36%	Lower output and narrower crack spread lead to a sharp decline in BSR's pretax profit in 2Q24 and 1H24.
Profit after tax	769	-42.1%	-31%	1,884	-36%	
<b>Net profit after tax and minority interest (NPATMI)</b>	<b>782</b>	<b>-41.7%</b>	<b>-32%</b>	<b>1,925</b>	<b>-35%</b>	

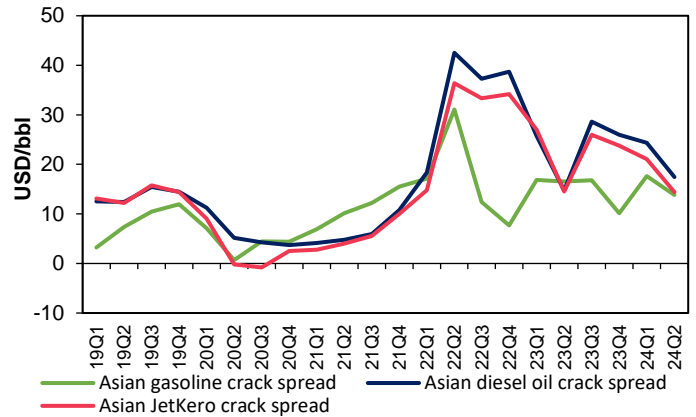
Source: BSR, MBS Research

**Figure 2: BSR's consumption output has significantly decreased since late Q1 due to the 48-day maintenance (Turn Around 5 – TA5)**



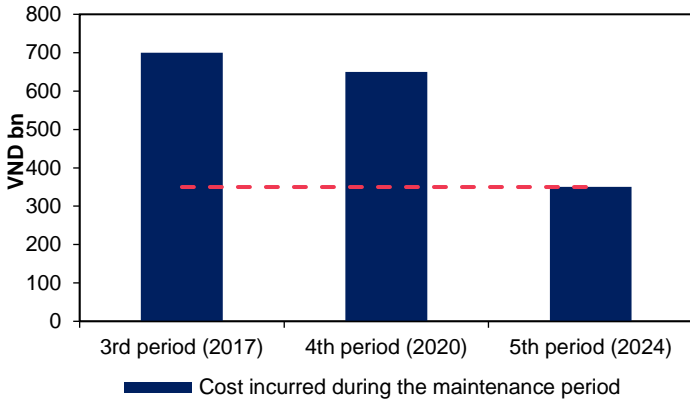
Source: BSR, MBS Research

**Figure 3: Average Asian crack spreads are declining**



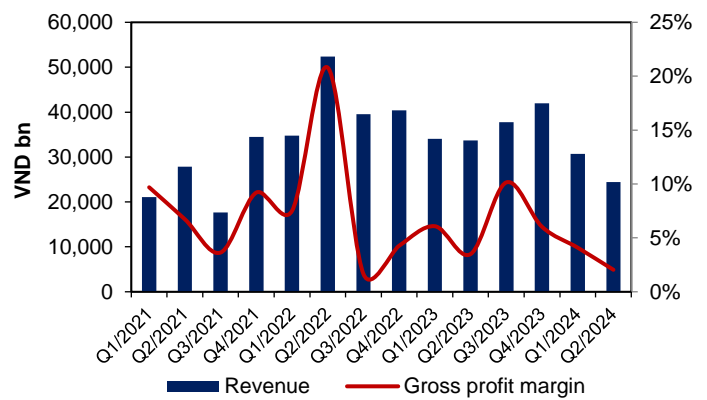
Source: Bloomberg, MBS Research

**Figure 4: BSR's costs incurred during the 5<sup>th</sup> maintenance period are significantly lower than in the 3<sup>rd</sup> and 4<sup>th</sup> period...**



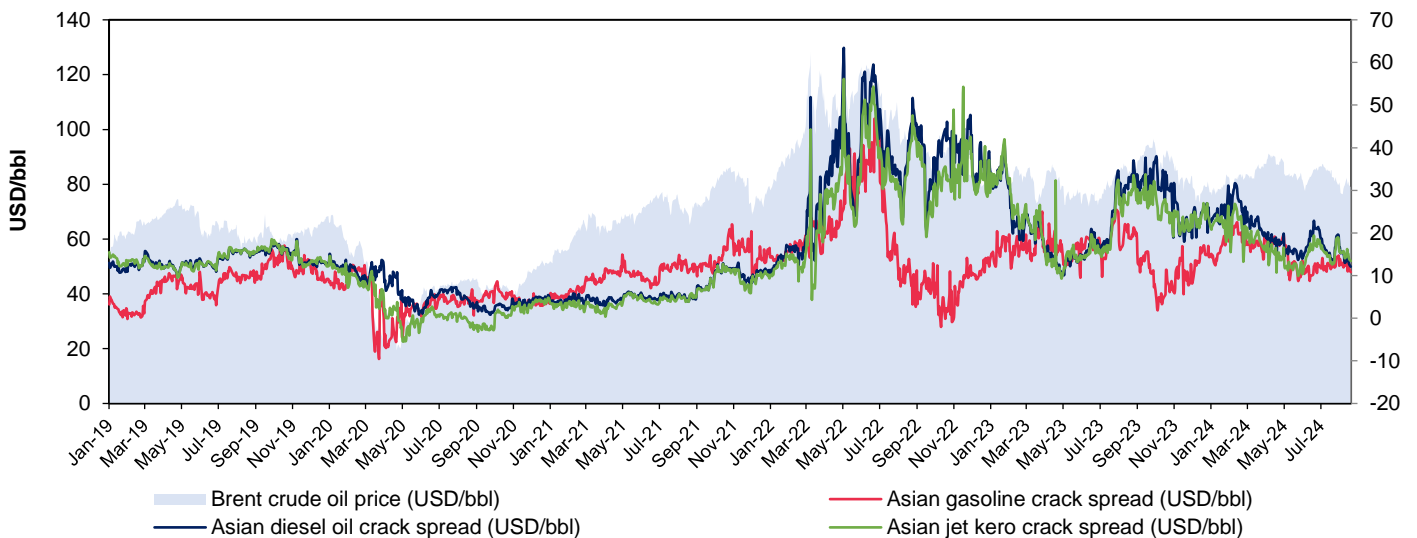
Source: BSR, MBS Research

**Figure 5: ... but BSR's revenue and gross profit margin were still lower yoy and qoq due to TA5**



Source: BSR, MBS Research

**Figure 6: Reference Asian crack spreads and Brent crude oil price have remained stable since the end of Q2 2024**



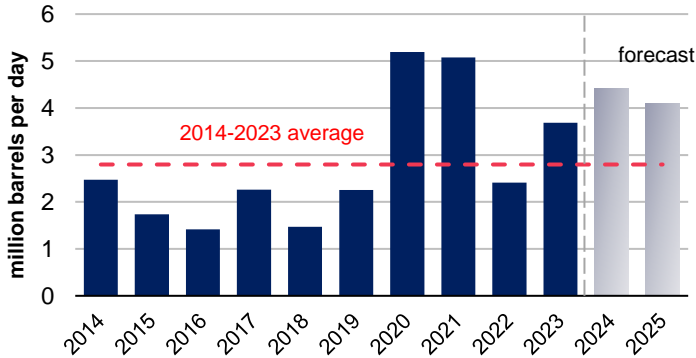
Source: Bloomberg, MBS Research

## Crack spread is not optimistic in the near future but the increase in capacity will ensure the long-term outlook

### Asian crack spread might stay low as supply gradually increases

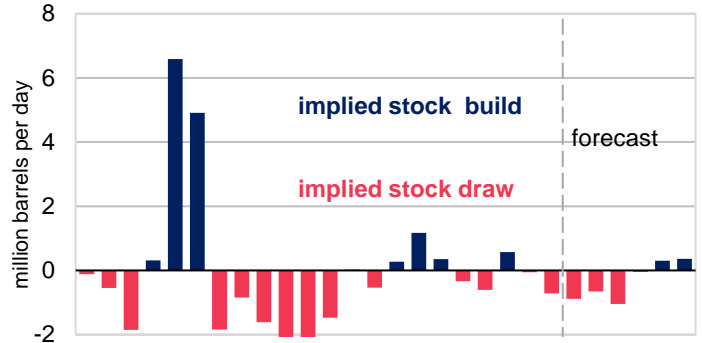
The voluntary OPEC+ crude oil supply cuts are expected to expire in 4Q24 while crude oil supply from countries outside OPEC+ is gradually growing. These may offset the growth in global oil demand, as China's consumption did not recover as strongly as expected. We expect that average Brent crude oil may reach 83 USD/bbl and 78 USD/bbl in 2024-2025, respectively.

Figure 7: OPEC+'s voluntary supply cuts may end in 24Q4, which drives higher surplus crude oil production capacity in 2024



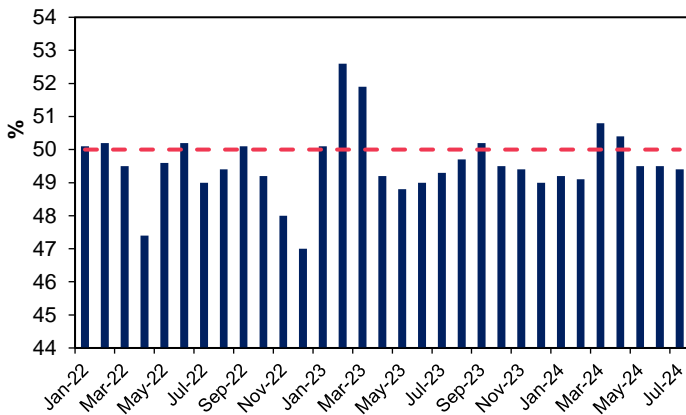
Source: EIA (August 2024), MBS Research

Figure 8: The market is expected to gradually return to moderate inventory builds in the second half of 2025



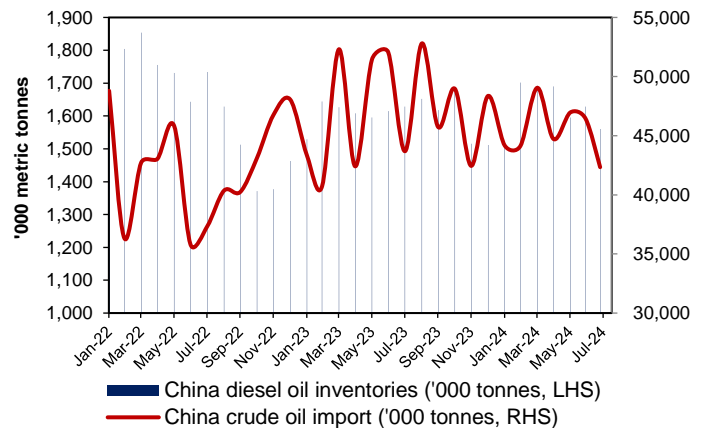
Source: EIA (August 2024), MBS Research

Figure 9: China's PMI has fallen below 50 since May 2024, indicating a slower-than-expected manufacturing recovery recently...



Source: Bloomberg, MBS Research

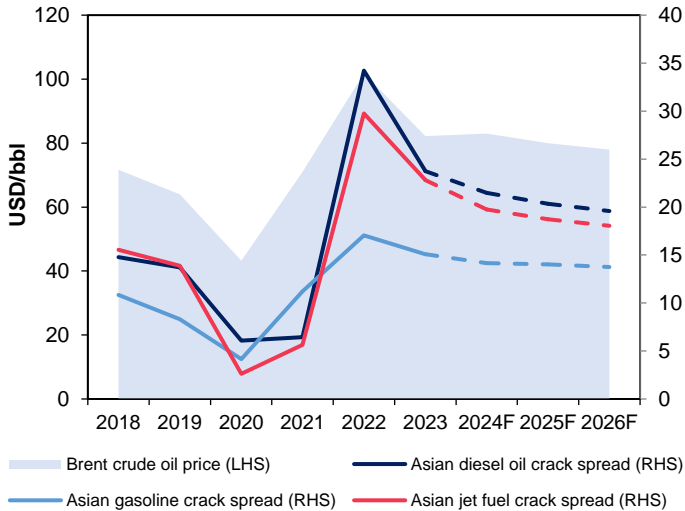
Figure 10: ...but China's crude oil import is declining while diesel oil inventories start to draw may indicate a narrower supply and better demand in the near future



Source: Bloomberg, MBS Research

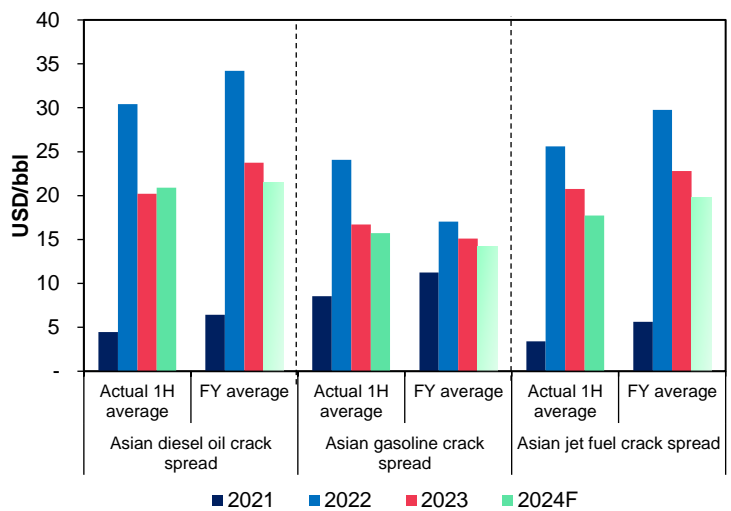
We do not expect crack spread to reverse significantly in the middle-term as the global refining capacity will come online through 2028, with most of the planned refinery production growth driven by China, India and Middle East, which may add to the world petroleum supply. Besides, the ceasefire agreement in the Middle East has alleviated market concerns about the global supply of petroleum products. However, we anticipate that higher demand in the second half of 2024 may support the crack spread slightly better than the low base of 2Q24 thanks to the US driving season in earlier 3Q24. To sum up, our forecast indicates that in 2024-2025 period, average Asian diesel oil crack spread may reach 21.5 USD/bbl (-9.5% yoy) and 20.3 USD/bbl (-5.3% yoy), average Asian gasoline crack spread may reach 14.2 USD/bbl (-6.2% yoy) and 14.0 USD/bbl (-0.9% yoy), respectively. In the long run, we expect crack spreads to continue their downward trend due to the shifting to electric vehicles, but at a slower pace.

**Figure 11: Average Asian reference crack spreads are expected to be lower than the high base of 2023 due to expanding supply**



Source: Bloomberg, MBS Research

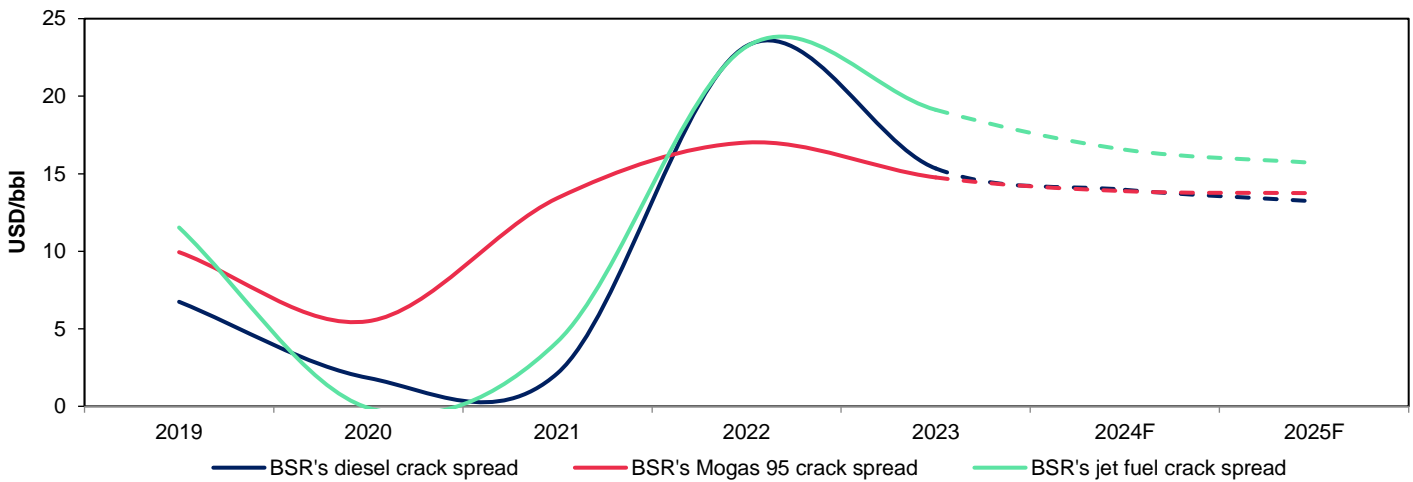
**Figure 12: Comparison of average Asian crack spreads in the 1<sup>st</sup> half and full year**



Source: Bloomberg, MBS Research

We build our forecast for BSR’s crack spreads based on our assumption that the premium of Asia’s over BSR’s may remain stable in the short term. However, in the long run, after the Dung Quat Refinery expansion project is completed, this premium is anticipated to be diminished and BSR’s crack spreads may approach regional average levels.

**Figure 13: Our forecast on BSR’s crack spreads in the upcoming years based on reference Asian crack spreads**

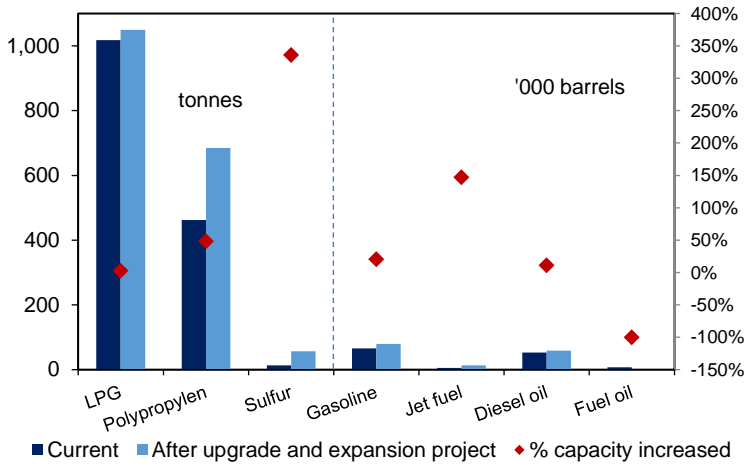


Source: MBS Research

**Increasing capacity and shifting towards petrochemicals will ensure the long-term outlook**

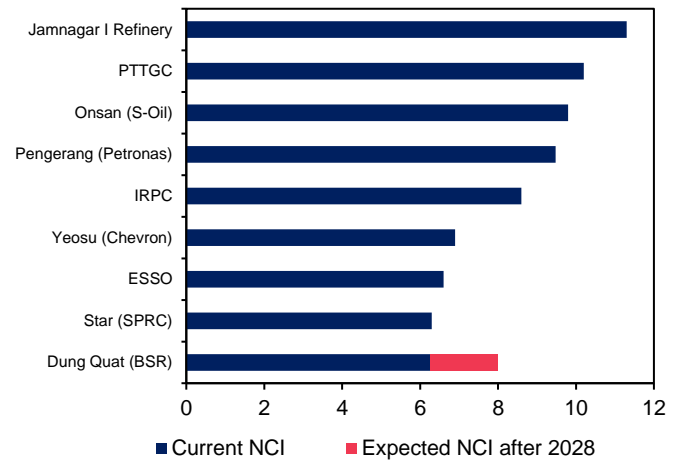
The Dung Quat Refinery upgrade and expansion project is expected to be completed by 3Q28 with total investment of USD 1.49 bn, equivalent to VND 36.2 trillion. The project will increase BSR’s total capacity to 171 thousand barrels per day (+15% vs current capacity), and shift BSR’s focus more towards petrochemicals, with propylene/polypropylene product capacity expected to increase by approximately 48.3%. The project is expected to increase profit margins, as petrochemical products offer higher value-added compared to traditional refined oil products. We also anticipate that BSR will gain its diesel and gasoline crack spread premium toward Asian reference crack spread after the expansion project by increasing their Nelson Complexity Index (NCI).

Figure 14: Dung Quat's capacity by products before and after the upgrade and expansion project



Source: BSR, MBS Research

Figure 15: Nelson Complexity Index (NCI) (\*) of some Asian refineries

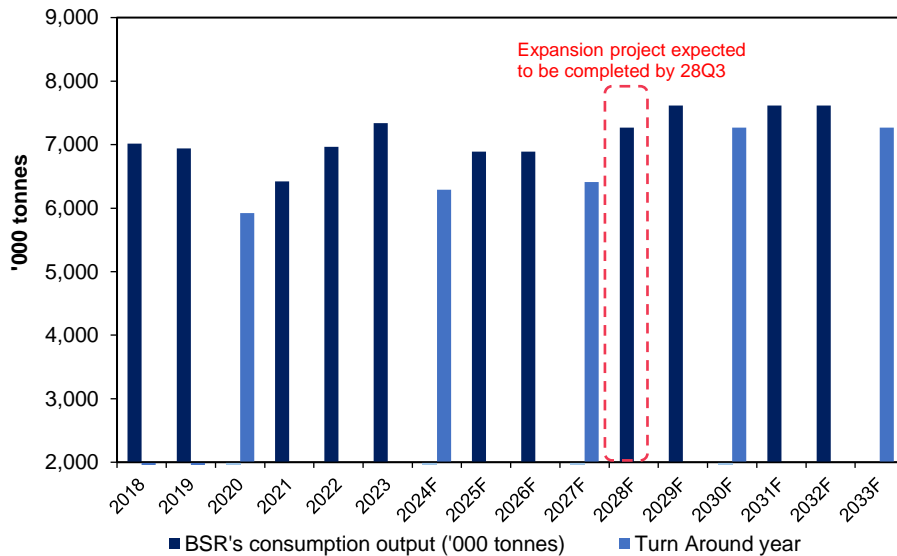


(\*) Higher NCI indicates the capability of producing more value-added products

Source: Fitch Ratings, MBS Research

As the crack spread may remain at current level or even below due to gradual increasing refining capacity, the increasing capacity of Dung Quat Refinery will be the long-term growth driver of BSR's earnings. Our forecast indicates that total consumption output of BSR in 2029 (after expansion) may be 3.7% higher than 2023 consumption output and 9.4% higher than 2022 consumption output. However, total consumption output may decrease by 14.3% yoy in 2024 due to the effect of TA5 and high base of 2023, and bounce back by 9.5% yoy in 2025.

Figure 16: Forecast of BSR's consumption output before and after the expansion project



Source: BSR, MBS Research's projection

### Listing on HOSE may be a supporting factor for the stock

Earlier, the only obstacle that prevented BSR from being listed on HOSE was the bad debt of Central Petroleum Biofuel Company (BSR-BF), formerly BSR's subsidiary. However, according to the 2Q24 audited financial statements, BSR has terminated its control over BSR-BF and consequently, BSR-BF's financial statements ceased to be consolidated into BSR's financial statements from May

27, 2024 onwards. The reason comes from the People’s Court of Quang Ngai province did open bankruptcy proceedings for BSR-BF.

Recently, in late August 2024, BSR submitted the necessary listing application documents to HOSE, which is a giant step towards listing on this exchange. The stock is anticipated to be officially listed on HOSE in early 2025. We expect the switch from UPCoM to HOSE will enhance the transparency and governance standards for BSR, thereby may be a supporting factor for the stock price as the stock might receive more attention from domestic and foreign funds. According to our observation, stocks that historically transferred their exchange from UPCoM to HOSE often had positive movements in their market price before or after being listed on HOSE.

Figure 17: Some cases of increasing P/B before being listed on HOSE



Source: FiinProX, MBS Research

Source: FiinProX, MBS Research

Source: FiinProX, MBS Research

Figure 18: Some cases of increasing P/B after being listed on HOSE



Source: FiinProX, MBS Research

Source: FiinProX, MBS Research

## FY24-25F earnings forecast

Figure 19: Our forecast for BSR's FY24-25F business results (Units: VND bn)

Unit: VND bn	2023	2024F	yoy (%)	2025F	yoy (%)	Comments
Consumption output ('000 tons)	7,341	6,292	-14.3%	6,891	9.5%	
Brent crude oil price (USD/bbl)	82.2	83.0	1.0%	80.0	-3.6%	Growing supply as OPEC+ terminates their voluntary cuts may outpace the growth of petroleum products demand.
Asian gasoline crack spread (USD/bbl)	15.1	14.2	-6.2%	14.0	-0.9%	
Asian diesel oil crack spread (USD/bbl)	23.7	21.5	-9.5%	20.3	-5.3%	
Asian jet kero crack spread (USD/bbl)	22.8	19.7	-13.4%	18.7	-5.2%	
Revenue	147,423	127,610	-13.4%	132,199	3.6%	Higher consumption output but anticipated lower crude oil and crack spread may lead to modest recovery in BSR's total revenue.
Gross profit	9,760	5,768	-40.9%	6,954	20.6%	
Gross profit margin	6.6%	4.5%		5.3%		In 2025, crack spreads may decline with a lower pace than crude oil, and no more costs of maintenance process incurred, leading to a higher gross profit margin.
SG&A expenses	1,656	1,445	-12.7%	1,507	4.3%	
% SG&A expenses/Revenue	1.1%	1.1%		1.1%		
Financial income	2,652	2,249	-15.2%	2,315	2.9%	
Financial expenses	1,155	1,161	0.6%	1,256	8.2%	
Pretax profit	9,639	5,447	-43.5%	6,539	20.0%	
Profit after tax	1,047	591	-43.5%	710	20.0%	
Net profit after tax and minority interest (NPATMI)	8,650	4,880	-43.6%	5,858	20.0%	

Source: MBS Research's projection



## Investment thesis & Recommendation

### Investment thesis

- BSR's consumption output will increase approximately 9.5% yoy in 2025 as the maintenance process had finished in 2024, which may support BSR's net profit to rise by 20% in 2025, even crack spreads may face the concern of growing supply over demand.
- The Dung Quat Refinery's upgrade and expansion plan may support BSR's capacity to increase by 15% and shift the company's focus towards petrochemical products since 2028.
- The switch of listing exchange from UPCoM to HOSE may enhance the transparency and governance standards for BSR, thereby may be a supporting factor for the stock price.

### Valuation & Recommendation

The rounded fair value of BSR stock, derived through our FCFF forecast and P/B valuation, is 27,400 VND/share (implying a 13.7% upside potential compared to the closing price on August 28, 2024). We also expect the dividend payment ratio of 3.0% (down from 7.0% in the previous year) due to BSR's maintenance process affecting net earnings in 2024. Our target price is based on a 10-year forecast FCFF model, which is expected to reflect more comprehensively the positive impact of the Dung Quat Refinery upgrade and expansion project, and a target P/B of 1.32x.

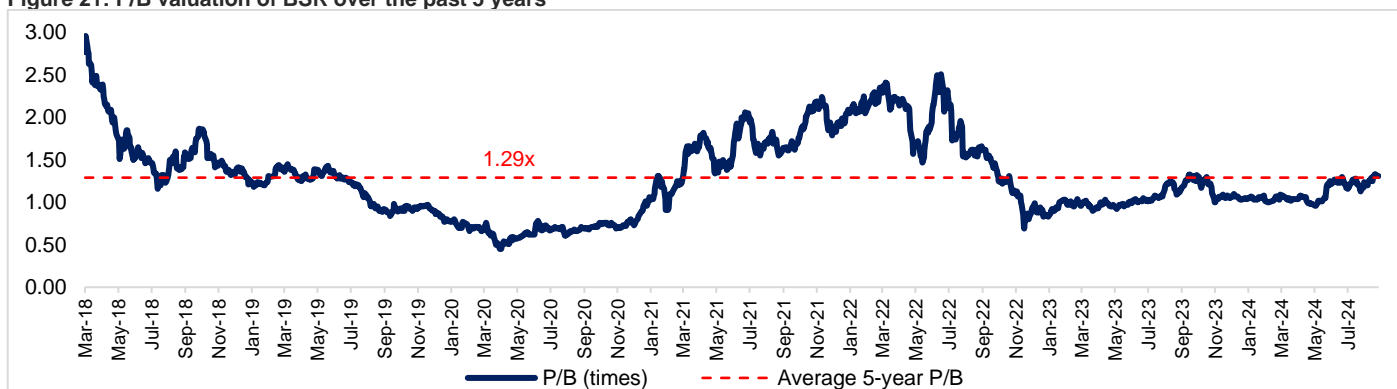
We use a target P/B ratio of 1.32x, which is 2.5% higher than average 5-year P/B, indicating our expectation of BSR's chance of listing on HOSE, which may enhance the transparency and governance standards and be a supporting factor for the stock. Although Asian crack spread may remain at a low base in the near term, we believe the expansion project will be a long-term growth factor for BSR and thereby we recommend **ADD** for BSR.

Figure 20: Valuation summary

Method	Weight	Price (VND/share)
FCFF	50%	28,700
P/B (with target P/B in mid-2025 = 1.32x)	50%	26,000
<b>Target price</b>		<b>27,400</b>
Current price (closing price at August 28, 2024)		24,100
Upside potential		13.7%
Dividend yield		1.3%
Potential return		15.0%

Source: MBS Research

Figure 21: P/B valuation of BSR over the past 5 years



Source: FinProX, MBS Research

Figure 22: Projected FCFF

	2024F	2025F	2026F	2027F	2028F	//	2033F
(+) Profit after tax	4,855	5,829	4,983	3,592	5,288	//	5,465
(+) Non-cash charges	2,255	2,274	2,281	2,286	3,139	//	2,156
(+) Interest after tax	296	320	378	413	414	//	155
(-) Working capital investment	(1,832)	2,849	44	(463)	205	//	(519)
(-) Capex	(2,520)	(2,907)	(9,380)	(12,480)	(3,496)	//	(24)
FCFF	3,054	8,365	(1,695)	(6,653)	5,550	//	7,234

Figure 23: FCFF valuation

(+) PV of FCFF for the period 2024-2033	VND bn	24,670
(+) PV of terminal value	VND bn	35,642
(+) Cash & equivalents	VND bn	40,034
(-) Debt	VND bn	11,149
(-) Minority interest	VND bn	125
Enterprise value	VND bn	89,073
Number of shares outstanding	million shares	3,100
Share price	VND/share	28,730

Cost of equity		WACC and long-term growth rate	
Risk-free rate	2.8%	Cost of debt	2.6%
Beta	1.3	Tax rate	20.0%
Equity risk premium	9.0%	WACC	11.7%
Cost of equity	14.5%	Long term growth	0.0%

**Downside risk:**

- Asia's petroleum products demand grows slower than expected, which may cause actual crack spreads to fall below anticipated level and seriously affect BSR's net profit.
- The upgrade and expansion project falls behind schedule, which may affect our consumption output projection and FCFF valuation.

Figure 24: Peer comparison

Company	Nation	Ticker	Market cap	NCI		P/E (times)		ROA%		ROE (%)	
			USD mn	(only Asian refinery)		TTM	Current	2024F	2025F	2024F	2025F
Gujarat State Petronet	India	GUJS IN Equity	2,666	10.0	Gujarat	13.5	2.1	14.8	12.0	15.9	10.3
S-Oil Corp	Korea	010950 KS Equity	5,260	9.8	Onsan	8.5	0.8	3.3	4.6	8.4	12.5
IRPC PCL	Thailand	IRPC TB Equity	883	8.6	IRPC	n/a	0.4	0.4	1.5	1.3	3.2
Chevron Corp	US	CVX US Equity	267,022	6.9	Yeosu	13.2	1.7	8.7	10.1	13.7	15.3
Bangchak Sriracha PCL	Thailand	BSRC TB Equity	717	6.6	ESSO	6.6	0.9	5.2	7.4	11.3	15.2
Star Petroleum Refining PCL	Thailand	SPRC TB Equity	911	6.3	Star	7.8	0.7	7.5	7.0	13.9	11.6
Average						9.9	1.1	6.6	7.1	10.7	11.4
Binh Son Refinery and Petrochemical JSC	Viet Nam	BSR VN Equity	2,347	6.3	Dung Quat	10.0	1.3	5.6	6.3	8.2	9.2

Source: Bloomberg, MBS Research

## FINANCIAL STATEMENTS

Income Statement	2023	2024F	2025F	2026F	Cash Flow Statement	2023	2024F	2025F	2026F
Net revenue	147,423	127,610	132,199	132,131	Profit before tax	9,639	5,447	6,539	5,590
Cost of goods sold	(137,664)	(121,842)	(125,244)	(125,892)	Depreciation and amortization	2,270	2,255	2,274	2,281
Gross profit	9,760	5,768	6,954	6,240	Taxes paid	(887)	(591)	(710)	(607)
Administrative expenses	(623)	(510)	(529)	(529)	Other adjustments	-	48	(18)	(132)
Selling expenses	(1,032)	(935)	(979)	(922)	Changes in working capital	2,852	(2,343)	2,352	(518)
Profit from operation	8,104	4,323	5,447	4,789	<b>Cash flow from operations</b>	<b>11,673</b>	<b>3,094</b>	<b>8,514</b>	<b>4,950</b>
Net EBITDA	10,374	6,578	7,721	7,070	Investment in PPE	(230)	(2,520)	(2,907)	(9,380)
<b>Pre-tax &amp; interest income</b>	<b>8,104</b>	<b>4,323</b>	<b>5,447</b>	<b>4,789</b>	Proceeds from sales of PPE	1	-	-	-
Interest income	2,652	2,249	2,315	2,251	Other items	(17,646)	(2,359)	(2,603)	914
Financial expenses	(1,155)	(1,161)	(1,256)	(1,483)	<b>Cash flow from investment</b>	<b>(17,874)</b>	<b>(4,879)</b>	<b>(5,510)</b>	<b>(8,466)</b>
Other net income	38	36	33	33	Share issuance & contributions from shareholders	-	-	-	-
Income from associates & JVs	-	-	-	-	Net cash from borrowings	1,989	179	3,338	1,298
<b>Pre-tax profit</b>	<b>9,639</b>	<b>5,447</b>	<b>6,539</b>	<b>5,590</b>	Other cash flow from financing activities	-	-	-	-
Corporate income tax	(1,047)	(591)	(710)	(607)	Dividends, profit paid to shareholders	(2,166)	(930)	(930)	(930)
Net profit after tax	8,593	4,855	5,829	4,983	<b>Cash flow from financing</b>	<b>(177)</b>	<b>(752)</b>	<b>2,408</b>	<b>368</b>
Minority interests	57	24	29	25	Beginning cash & equivalents	22,853	17,001	14,512	19,906
<b>Net profit</b>	<b>8,650</b>	<b>4,880</b>	<b>5,858</b>	<b>5,008</b>	Net cash flow over the year	(6,377)	(2,488)	5,393	(3,279)
Dividend payment	(2,166)	(930)	(930)	(930)	<b>Ending cash &amp; equivalents</b>	<b>17,001</b>	<b>14,512</b>	<b>19,906</b>	<b>16,626</b>
Retained earnings	6,484	3,950	4,928	4,077					
Balance Sheet	2023	2024F	2025F	2026F	Financial ratios	2023	2024F	2025F	2026F
Cash and cash equivalents	17,001	14,512	19,906	16,626	Net revenue growth	-12%	-13%	4%	0%
Short-term investments	21,122	25,522	30,406	31,712	EBITDA growth	-38%	-37%	17%	-8%
Accounts receivable	13,986	13,285	12,677	12,670	Operating profit growth	-45%	-47%	26%	-12%
Inventory	15,531	15,863	13,928	14,000	Pre-tax profit growth	-38%	-43%	20%	-15%
Other current assets	1,041	1,010	1,063	1,062	Net profit growth	-41%	-44%	20%	-15%
Total current assets	68,681	70,193	77,979	76,069	EPS growth	-41%	-44%	20%	-15%
Fixed assets	15,827	13,756	11,722	9,598	Gross profit margin	6.6%	4.5%	5.3%	4.7%
Intangible assets	245	324	230	134	EBITDA margin	7.0%	5.2%	5.8%	5.4%
Construction in progress	1,195	3,452	6,213	15,532	Net profit margin	5.9%	3.8%	4.4%	3.8%
Investment in subsidiaries	-	-	-	-	ROAE	15.9%	8.2%	9.2%	7.4%
Income from associates and joint ventures	-	-	-	-	ROAA	10.5%	5.6%	6.3%	5.0%
Other long-term investments	10	10	10	10	ROIC	12.7%	6.8%	7.3%	5.9%
Other long-term assets	638	598	625	766	Asset turnover	178.6%	145.9%	142.8%	132.9%
Total long-term assets	17,914	18,139	18,799	26,040	Dividend payout ratio	25.0%	19.1%	15.9%	18.6%
<b>Total assets</b>	<b>86,595</b>	<b>88,333</b>	<b>96,778</b>	<b>102,109</b>	Debt to equity	19.2%	18.3%	22.0%	22.6%
Short-term debts	10,970	11,149	12,487	13,985	Net debt to equity	-10.5%	-5.5%	-8.2%	-1.2%
Account payables	14,616	13,393	13,511	13,804	Net debt to total assets	-7.0%	-3.8%	-5.6%	-0.8%
Other short-term liabilities	2,856	1,847	2,087	1,902	Interest coverage	28.2	13.0	15.2	11.3
Total short-term liabilities	28,442	26,389	28,085	29,691	Days of sales outstanding	35	38	35	35
Long-term debts	-	-	2,000	1,800	Days of inventory	41	48	41	41
Other long-term liabilities	884	869	863	858	Days of payables outstanding	39	40	39	40
Total long-term liabilities	884	869	2,863	2,658	Liquidity ratio	2.4	2.7	2.8	2.6
<b>Total liabilities</b>	<b>29,326</b>	<b>27,258</b>	<b>30,948</b>	<b>32,349</b>	Quick ratio	1.9	2.1	2.3	2.1
Share capital	31,005	31,005	31,005	31,005	Cash ratio	1.3	1.5	1.8	1.6
Additional paid-in capital	-	-	-	-					
Treasury stock	-	-	-	-	<b>Valuation</b>				
Retained earnings	16,340	17,986	21,604	24,563	EPS (VND/share)	2,790	1,574	1,889	1,615
Reserve funds	10,048	12,233	13,399	14,395	BVPS (VND/share)	18,511	19,746	21,289	22,565
Effects of changes in foreign exchange rates	-	-	-	-	P/E (x)	8.6	15.2	12.7	14.9
Shareholders' equity	57,393	61,224	66,008	69,963	P/B (lần)	1.3	1.2	1.1	1.1
Minority interests	(125)	(149)	(178)	(203)					
Total shareholders' equity	57,269	61,075	65,830	69,760					
<b>Total shareholders' equity</b>	<b>86,595</b>	<b>88,333</b>	<b>96,778</b>	<b>102,109</b>					

Source: BSR, MBS Research's projection

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ADD	The stock can generate a profitability of 15% or more
HOLD	The stock can generate a profitability of between -15% and 15%
REDUCE	The stock can generate a loss of 15% or more

### Sector rating

POSITIVE	Industry stocks have Add recommendations on a weighted market capitalization basis
NEUTRAL	Industry stocks have Hold recommendations on a weighted market capitalization basis
NEGATIVE	Industry stocks have Reduce recommendations on a weighted market capitalization basis

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