

17 Jan 2025

Binh Son Refinery (BSR)

Analyst meeting recap

On 16 Jan, we attended the event “Journey to listing and sustainability” of BSR, that will officially be listed on HSX the following day.

Listing on HSX and chances of joining the VN30

- The BSR stock will have its first trading session on HSX on 17 Jan. The maximum foreign ownership is 49%.
- The management showed optimism about BSR’s prospect to join the VN30, as the company met all qualities about trading volume, free-float rates and capitalization, and expect that BSR could join the VN30 in the next 6 months.

Business prospect overview

- Preliminary business outcomes of 2024F shows that revenue -15.4% yoy (equivalent to VND124.7tn) and PBT reached VND369bn (-96% yoy).
- BSR management think that 2025F could be the recovery year. BSR could achieve volume growth of at least 10-15% as there will be no major maintenance in 2025F.
- The plan of increasing charter capital to VND50tn via bonus share and stock dividend has been approved, and is expected to be completed within 1H25F.

Dung Quat Refinery upgrade and expansion project

- The project total investment is USD1.5bn with equity to debt ratio of 60:40.
- The project overall timeline includes: (1) 5/2025 – achieving FEED (Front End Engineering Design), (2) 12/2025 – signing EPC (Engineering, Procurement and Construction) contracts and (3) 2028 – commercial operation.
- Production capacity could expand 15.5% to 171,000 b/d.
- Per BSR, one of the key purpose is to increase refinery quality to Euro-V standard and improve crude slate. After the upgrade, BSR could refine sourer crudes (3 times more sulfur content), allowing it to process crude oil of the Middle East, USA’s (WTI) and Russia, according to BSR.

	2019A	2020A	2021A	2022A	2023A
Sales (VND bn)	102,824	57,959	101,114	167,126	147,423
chg. (% YoY)	(8.2)	(43.6)	74.4	65.3	(11.8)
Operating profit (VND bn)	2,990	(2,877)	6,907	15,500	9,602
Net profit (VND bn)	2,873	(2,858)	6,684	14,669	8,593
EPS (VND)	858.3	(909.2)	2075.1	4749.5	2679.9
chg. (% YoY)	(24.9)	(205.9)	(328.2)	128.9	(43.6)
EBITDA (VND bn)	5,539	(494)	8,822	16,865	10,374
PE (x)	14.43	(25.80)	7.21	4.02	7.77
EV/EBITDA (x)	6.56	(147.62)	4.63	2.68	5.63
PB (x)	1.13	2.34	1.24	1.15	1.13
ROE (%)	8.93	(8.67)	19.58	33.16	15.92
Dividend yield (%)	0	0	2	0	3.4

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest
Source: Fiinpro, KIS Research

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12M rating **Non-rated**

12M TP **N/A**

Stock Statistics

VNIndex (16 Jan, pt)	1,242
Stock price (16 Jan, VND)	21,900
Market cap (USD mn)	2,702
Shares outstanding (mn)	3,101
52-Week high/low (VND)	24,089/17,484
6M avg. daily turnover (USD mn)	5.22
Free float / Foreign ownership (%)	7.9/0.6
Major shareholders (%)	
Petro Vietnam	92.13

Performance

	1M	6M	12M
Absolute (%)	(0.5)	0.7	23.7
Relative to VNIndex (%p)	1.1	1.9	14.8

Stock price trend



Source: Bloomberg

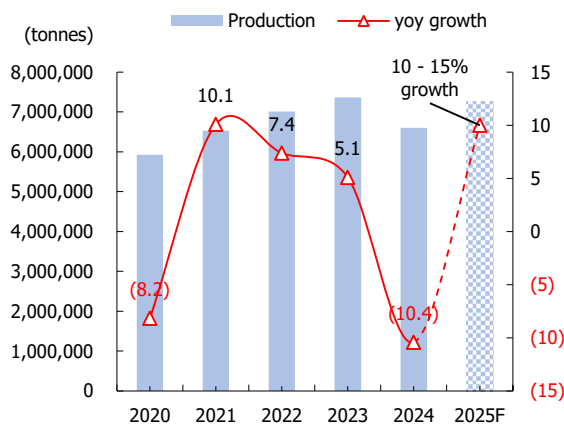
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BSR – PV GAS corporation

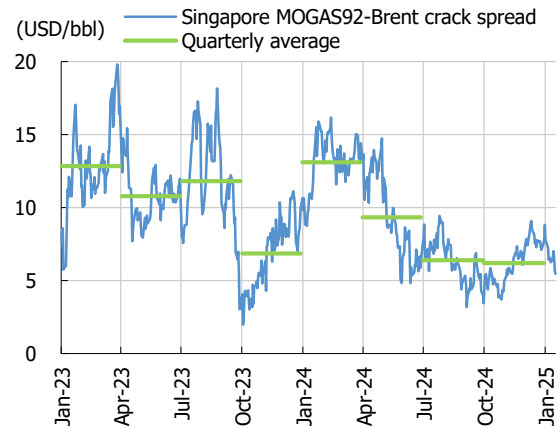
- PV GAS will supply condensate (feedstock for refineries and petrochemical production) to BSR, with long-term contracts. This will help BSR to shift its production toward 100% RON95, that has better profitability. We note that the Dung Quat refinery is originally designed to produce 65% of RON92.
- PV GAS will supply LNG to BSR to replace FO as burning fuel to reduce emission. This could reduce emission costs in the future, per BSR.

Figure 1. BSR expects 10 – 15% yoy growth in 2025F per BSR



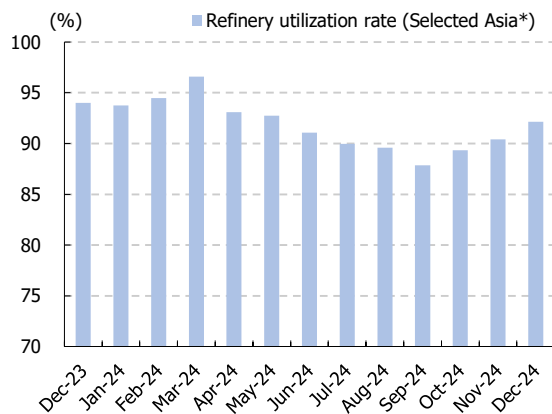
Source: Bloomberg, KIS Research

Figure 2. MOGAS92 crack spread improved from November



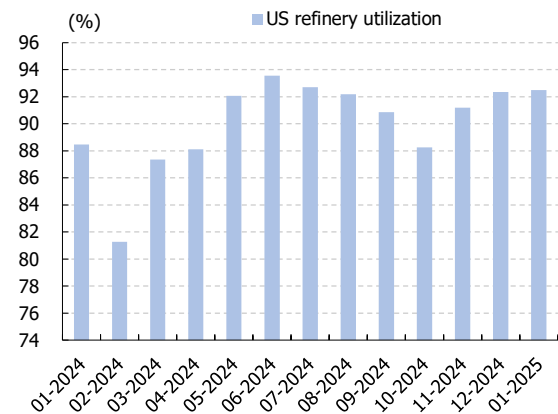
Source: Company data, KIS Research

Figure 3. Refinery utilization rate of selected Asia gradually picked up



Source: OPEC, KIS Research
*Selected Asia: China, India, Japan, Singapore and South Korea

Figure 4. Refinery utilization rate of the US



Source: Bloomberg, KIS Research

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Prepared by: Research Dept

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