

12 Feb 2025

# Binh Son Refinery (BSR)

## Difficulties remain

### Hit hard by low crack spread still

- 4Q24 volume inched up 4% yoy per our estimates, at 2.1mn tonnes. Yet, revenue came in at VND36tn (-14% yoy, +13% qoq, figure 2) as (1) RON95-III/Diesel retail price downed by 10/12% yoy in 4Q24 and (2) Asian mogas 92/diesel crack spread pegged low at respectively USD6.2/USD13.8 (-10%/ -47% yoy, figure 3, 4).

- 4Q24 gross profit turned positive, but still performed poorly at VND152bn (figure 5, 6) mainly because BSR continued to record gross losses from gasoline products for the fifth consecutive quarter, (4Q24: -VND988bn).

Gross profit of diesel turned positive to VND541bn (from -VND5bn in 3Q24), yet still imply a 71% yoy decline as diesel crack spread plummeted.

BSR also recorded a net provision reversal of VND290bn in 4Q24, that supported gross profit.

- 4Q24 NPAT was still negative, at -VND89bn (-104% yoy, figure 7), improved vs 3Q24: -VND1.2tn.

- Whole year 2024 revenue came in at VND123tn (-16.5% yoy), production volume declined 10% yoy (to 6.6mn tonnes) due to the general maintenance in 2Q24. NPAT declined 93% yoy to VND585bn.

### Risks to be considered: pressures on crack spread

- In upcoming periods, we think crack spreads could face demand challenges as (1) Trump's tariff policies could undermine fuel demand and could potentially slow down global economic growth and (2) the recovery outlook of China is still elusive.

- On the supply side, new refinery capacity added earlier in 2024 by Kuwait (0.615 mb/d), Oman (0.23 mb/d) and Nigeria (0.65 mb/d) could pose risks of a supply glut.

12M rating **Non-rated**

12M TP **N/A**

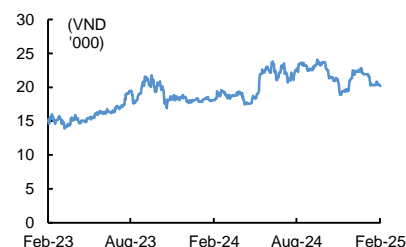
#### Stock Statistics

VNIndex (12 Feb, pt)	1,267
Stock price (12 Feb, VND)	20,150
Market cap (USD mn)	2,442
Shares outstanding (mn)	3,101
52-Week high/low (VND)	24,089/17,484
6M avg. daily turnover (USD mn)	4.44
Free float / Foreign ownership (%)	7.9/0.5
Major shareholders (%)	
Petro Vietnam	92.13

#### Performance

	1M	6M	12M
Absolute (%)	(8.0)	(10.6)	11.5
Relative to VNIndex (%p)	(11.0)	(14.5)	3.9

#### Stock price trend



Source: Bloomberg

	2020A	2021A	2022A	2023A	2024
Sales (VND bn)	57,959	101,114	167,126	147,423	123,027
chg. (% YoY)	(43.6)	74.4	65.3	(11.8)	(16.5)
Operating profit (VND bn)	(2,877)	6,907	15,500	9,602	652
Net profit (VND bn)	(2,858)	6,684	14,669	8,593	585
EPS (VND)	(909)	2075	4749	2,789	202
chg. (% YoY)	(205.9)	(328.2)	128.9	(41.3)	(92.8)
EBITDA (VND bn)	(494)	8,822	16,865	10,374	1,443
PE (x)	(25.80)	7.21	4.02	7.28	100.89
EV/EBITDA (x)	(147.62)	4.63	2.68	5.47	34.64
PB (x)	2.34	1.24	1.15	1.10	1.14
ROE (%)	(8.67)	19.58	33.16	15.92	1.11
Dividend yield (%)	0	2	0	3.4	

Source: Fiinpro, KIS Research

#### Research Dept

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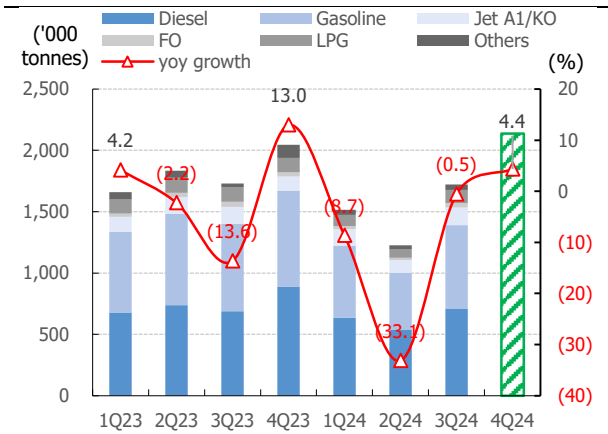
**Table 1. Quarterly earnings snapshot**

(VND bn, %, %p)

	4Q23	1Q24	2Q24	3Q24	4Q24	qoq	yoy
Sales	41,933	30,689	24,424	31,946	35,968	12.6	(14.2)
OP	2,538	1,261	836	(1,334)	(110)	(91.8)	(104.3)
OP margin	6.1	4.1	3.4	(4.2)	(0.3)	3.9	(6.4)
EBT	2,546	1,271	840	(1,329)	(102)	(92.3)	(104.0)
NPAT	2,269	1,115	769	(1,209)	(89)	(92.6)	(103.9)

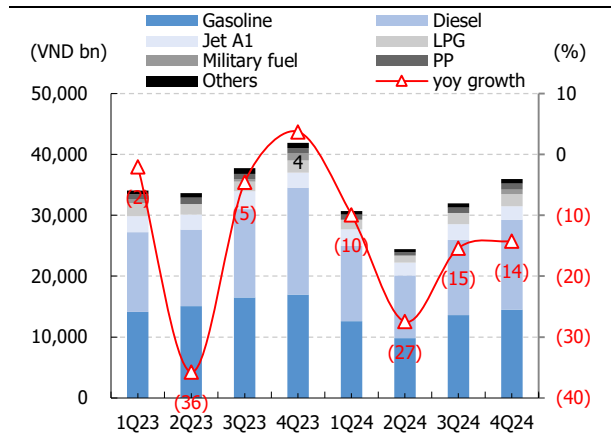
Source: FiinproX, KIS Research

**Figure 1. 4Q24 output volume improved 4.4% yoy**



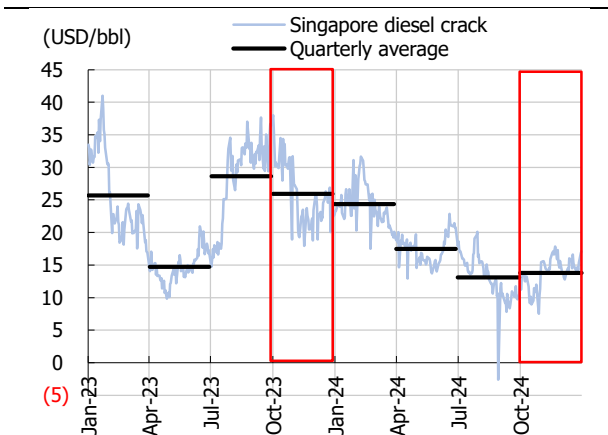
Source: Company data, KIS Research

**Figure 2. 4Q24 revenue downed 14% yoy...**



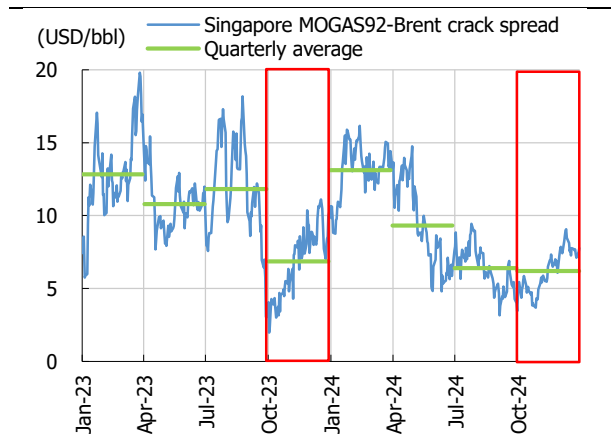
Source: Company data, KIS Research

**Figure 3. Diesel crack spread plummeted 47% yoy**



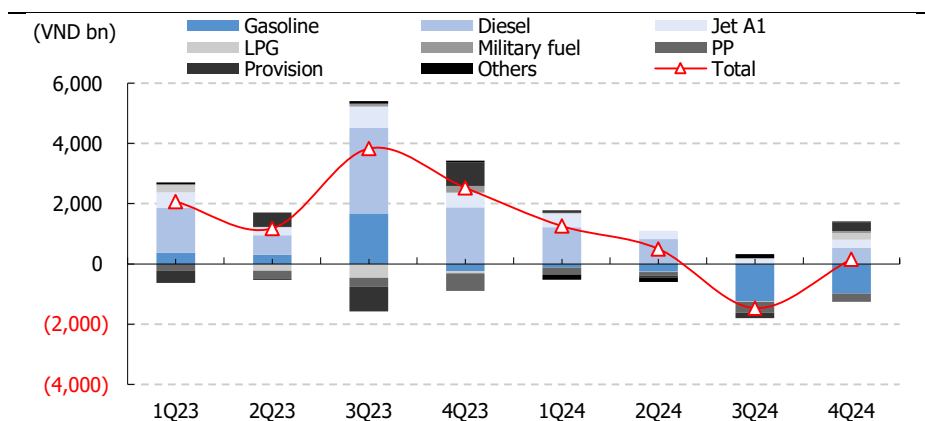
Source: Bloomberg, KIS Research

**Figure 4. MOGAS92 crack spread downed 10% yoy**



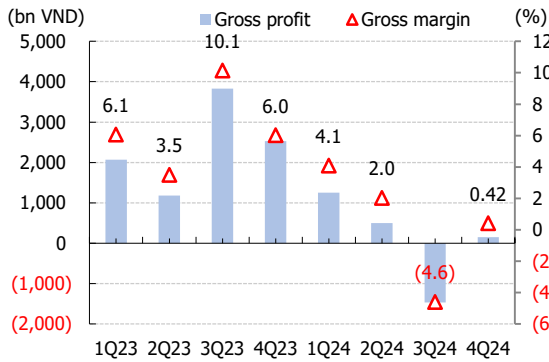
Source: Bloomberg, KIS Research

**Figure 5. High gross loss of gasoline and low diesel gross gain...**



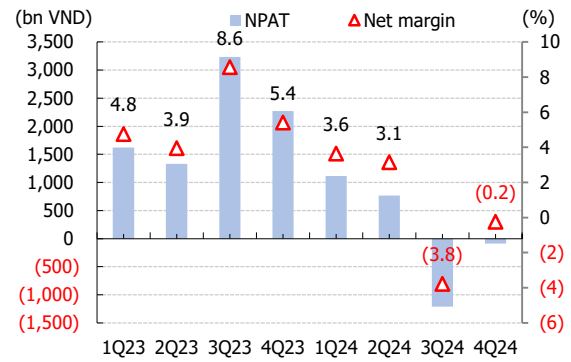
Source: Bloomberg, FiinproX, KIS Research

**Figure 6. .... making BSR recorded almost no gross profit in 4Q24 ...**



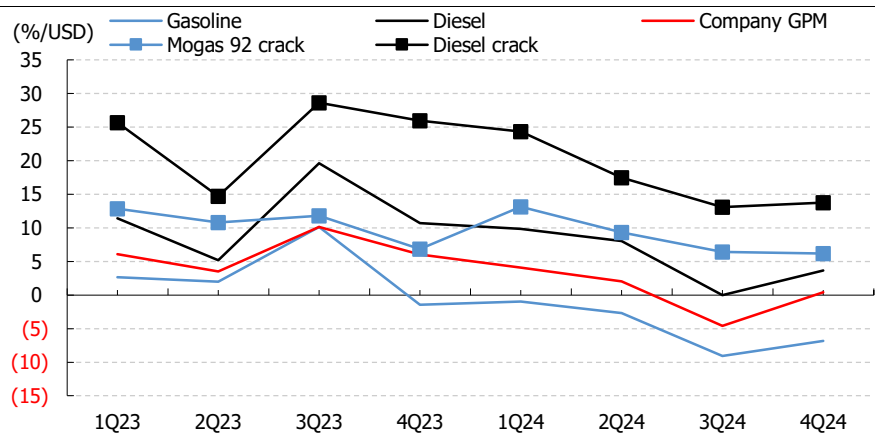
Source: FiiiproX, KIS Research

**Figure 7. ... and subsequently a net loss in 4Q24**



Source: FiiiproX, KIS Research

**Figure 8. Singapore crack spreads and BSR's gross margins show correlations**



Source: Bloomberg, FiiiproX, KIS Research

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