

21 May 2025

Binh Son Refinery (BSR)

Prolonged difficulties

1Q25: Diesel's recovery offset by gasoline loss and provision

- 1Q25 volume rose 14% yoy to 1.7mn tonnes. However, revenue only reached VND31.9tn (+4% yoy, -11% qoq) as (1) RON95-III and Diesel retail prices fell 11% and 8% yoy, respectively, in 1Q24, and (2) Singapore MOGAS92/diesel crack spreads remained low at USD12.5/USD13.9 (-37%/-43% yoy, figure 3, 4).
- 1Q25 gross profit remained weak at VND382bn (figure 5, 6), primarily due to (1) continued gross losses from gasoline products for the sixth consecutive quarter (1Q25: -VND669bn), and (2) a provision of VND381bn recognized by BSR amid heightened oil price volatility.

Gross profit from diesel recovered from the previous two quarters' low levels to VND998bn (+85% qoq), thanks to an improvement in diesel crack spread. However, this still marked an 18% decline yoy.

- 1Q25 NPAT returned to positive territory at VND399bn (-64% yoy, figure 7), recovering from 4Q24's loss of -VND89bn, but still remained modest.

2Q25F: duel pressures from crack spread and oil turbulence

- After President Trump's fresh reciprocal tariff announcement on 02-Apr, Singapore diesel crack spread was immediately halved, remaining around the USD7.4–10 range throughout April. From early May to now, the figure has rebounded to USD14.4–17.4; however, we still expect the subdued crack spread in April to weigh significantly on Diesel's gross margin. In contrast, Singapore MOGAS92 crack spread experienced upturns at the beginning of April and remained at a solid level of USD11–15 throughout the month. This could lift gasoline gross profit into positive territory, though the gain may be easily offset by the negative impacts from diesel margin.
- On 2-Apr, Trump's fresh reciprocal tariffs triggered a sharp 16% drop in Brent prices within just 4 days, hitting as low as USD58.5/bbl. Subsequently, the market turned fragile and fluctuated widely in the USD58.5–68.5 range, tracking closely the escalation/de-escalation of US-China trade tensions, OPEC's unwinding of the 2.2mb/d cut, and US-Iran negotiations. In 2Q25F, we expect heightened oil price volatility to result in further losses from inventory devaluation, intensifying pressure on BSR's profitability.

	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

12M rating **Non-rated**

12M TP **N/A**

Stock Statistics

VNIndex (20 May, pt)	1,315
Stock price (20 May, VND)	17,450
Market cap (USD mn)	2,096
Shares outstanding (mn)	3,101
52-Week high/low (VND)	24,089/14,550
6M avg. daily turnover (USD mn)	2.53
Free float / Foreign ownership (%)	7.9/0.3
Major shareholders (%)	
Petro Vietnam	92.13

Performance

	1M	6M	12M
Absolute (%)	9.4	(9.5)	(9.6)
Relative to VNIndex (%p)	1.1	(18.3)	(15.6)

Stock price trend



Source: Bloomberg

Research Dept

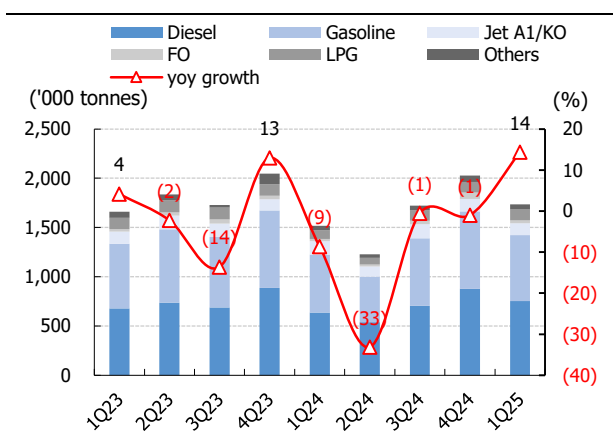
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Table 1. Quarterly earnings snapshot

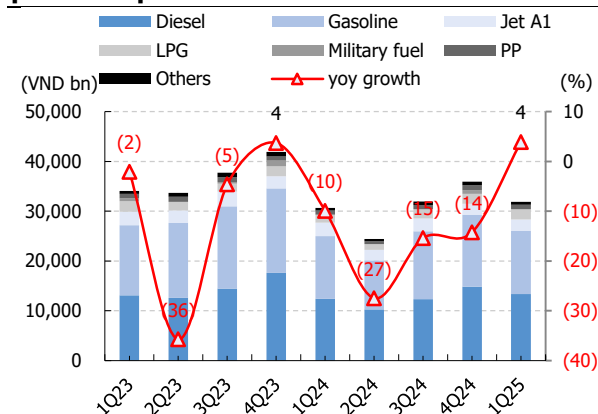
(VND bn, %, %p)

	1Q24	2Q24	3Q24	4Q24	1Q25	qoq	yoy
Sales	30,689	24,424	31,946	35,968	31,895	(11.3)	3.9
OP	1,261	836	(1,334)	(110)	461	N/A	(63.4)
OP margin	4.1	3.4	(4.2)	(0.3)	1.4	1.8	(2.7)
EBT	1,271	840	(1,329)	(102)	472	N/A	(62.9)
NPAT	1,115	769	(1,209)	(89)	399	N/A	(64.2)

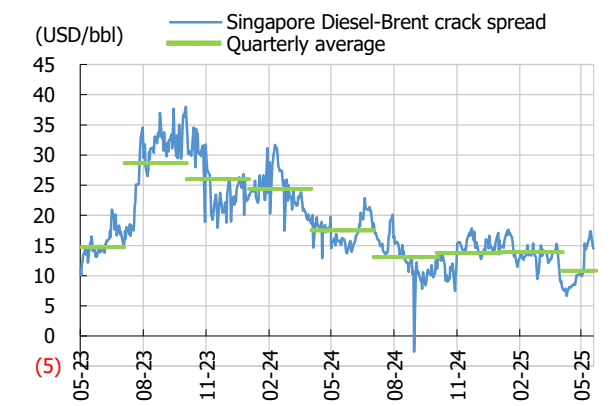
Source: FiinproX, KIS Research

Figure 1. 1Q25 output volume grew 14% yoy ...


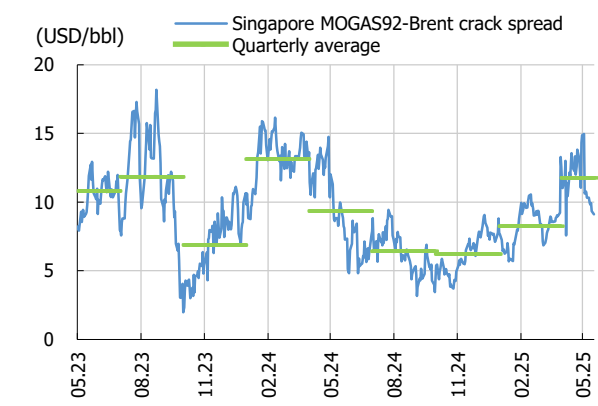
Source: Company data, KIS Research

Figure 2. ... but revenue grew less at 4% as retail petroleum price declined and ...


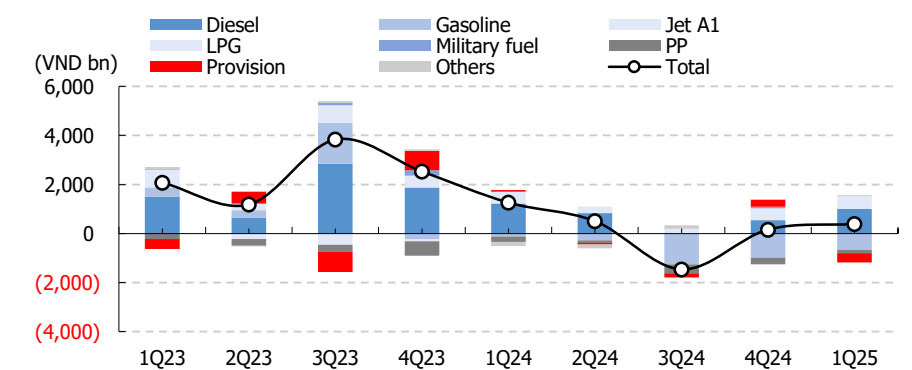
Source: Company data, KIS Research

Figure 3. ... 1Q25 Diesel crack spread plummeted 43% yoy ...


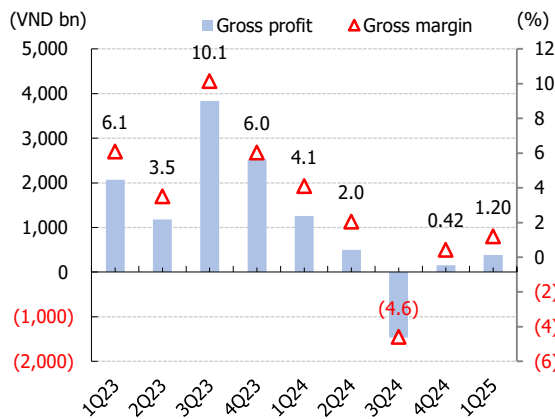
Source: Bloomberg, KIS Research

Figure 4. ... and 1Q25 MOGAS92 crack spread downed 37% yoy


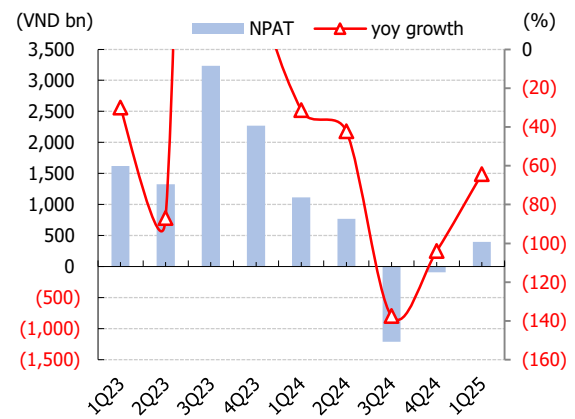
Source: Bloomberg, KIS Research

Figure 5. Diesel gross profit revived, but dragged down by provision and gasoline's continuous gross loss ...


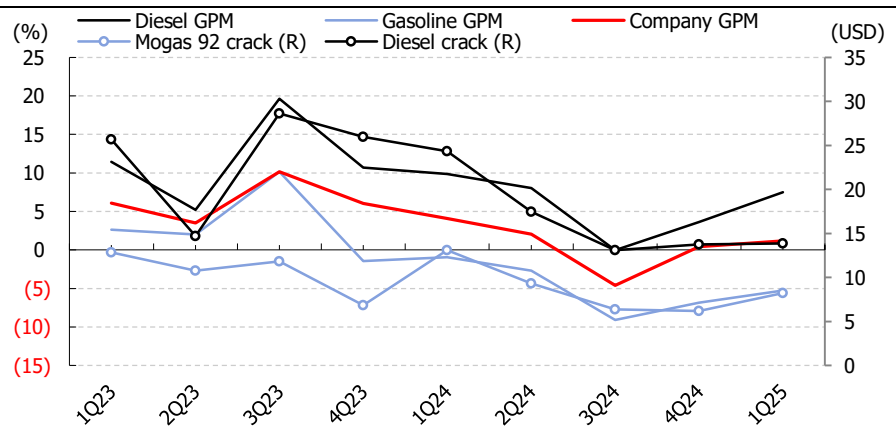
Source: Company data, KIS Research

Figure 6. ... making BSR's gross profit to stay low


Source: FiinproX, KIS Research

Figure 7. 1Q25 NPAT turned positive, but still imply a 64% yoy decline


Source: FiinproX, KIS Research

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


Source: Bloomberg, FiinproX, KIS Research

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