trueFriend KIS Viet Nam Securities Corporation

Company Brief

10 Sep 2025

Binh Son Refinery (BSR)

Analyst meeting recap

Reactivating the ethanol production plant thanks to benefit from new policy

- Last year, BSR initiated bankruptcy proceedings for BSR-BF, in order to meet listing requirements on the HSX. However, under the roadmap for biofuel blending proposed by the Ministry of Industry and Trade, effective January 1, 2026, all gasoline distributed nationwide for gasoline vehicles will be mandated as E10, a 10% ethanol-gasoline blend.
- Thus, BSR has indicated its intention to resume production at BSR-BF (BSR-BF, 100,000 tonnes of ethanol annual capacity), which will eventually terminate the liquidation process. Management targets trial operations by end-October this year.

Prospect of ethanol business: Positive

- We believe that BSR-BF has strong potential to quickly maximize its capacity after the official policy about E10 gasoline is implemented thanks to exponential growth in ethanol demand.
- According to our estimates, Vietnam's current E100 (pure ethanol) production capacity stands at roughly 700,000 tonnes per year (including BSR-BF's 100,000 tonnes), sufficient to meet only 45–50% of the country's total demand for gasoline blending.
- However, compared to BSR's annual production of around 7mn tonnes, we believe the contribution of ethanol to BSR's business results will be negligible.

BSR is finding strategic investors for divesting

- BSR is required to have a minimal free-float rate of 10% to stay listed, and to head for the VN30 basket. Accordingly, PVN (holding 92.13% stakes) needs to divest at least 2.13% to meet the requirement.
- Management indicated that BSR is in discussions with potential strategic investors, though it emphasized that no concrete plans have been finalized at this stage.

	2020A	2021A	2022A	2023A	2024A
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**

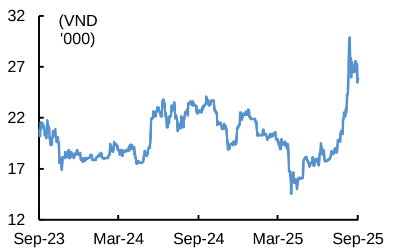
Stock Statistics

VNIndex (09 Sep, pt)	1,637
Stock price (09 Sep, VND)	25,850
Market cap (USD mn)	3,039
Shares outstanding (mn)	3,101
52-Week high/low (VND)	29,900/14,550
6M avg. daily turnover (USD mn)	6.21
Free float / Foreign ownership (%)	7.9/0.4
Major shareholders (%)	
Petro Vietnam	92.13

Performance

	1M	6M	12M
Absolute (%)	14.9	30.9	14.2
Relative to VNIndex (%p)	11.4	5.7	(19.5)

Stock price trend



Source: Bloomberg

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Upgrading refinery plant project

- The refinery upgrade project is not primarily designed to expand capacity (with capacity rising only about 15.5% post-expansion) but rather to enhance product quality, moving from Euro 2 to Euro 5 standards. In addition, the upgrade will broaden the crude slate, enabling the plant to use a wider variety of feedstocks to mix with Bach Ho crude.
- BSR stated that its expansion project remains on schedule, with the EPC contract expected to be signed by December 2025. The project will officially operate from 2028 according to the roadmap.
- The company intends to disburse capital in a phased schedule of 30/40/30 (%) over the 2026/27/28 period, and prioritize equity financing in 2026 in order to mitigate financing costs.

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  Prepared by: Research Dept

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