



BSR Flash note – OUTPERFORM

November 1, 2024



Mr. Hung Phan

(+84 8) 7300 7000 - Ext: 1044

hungpv@acbs.com.vn

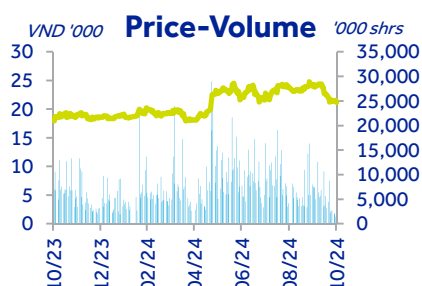
Flash Note

Recommendation **OUTPERFORM**
Upcom: BSR
Petroleum Refinery
Target price (VND) **23,000**
Market price (VND) **21,100**
Expected share price return **9.0%**
Expected dividend yield **1.4%**
Expected total return **10.4%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	17.4	-8.1	2.5	24.4
Relative	3.7	-5.9	0.8	1.2

Source: Bloomberg



Ownership

PVN **92,13%**

Stock Statistics 31-Oct-2024

Bloomberg code **BSR VN**
52-week range (VND) **17,200 - 25,300**
Shares O/S (m) **3,101**
Mkt cap (VND bn) **65,731**
Mkt cap (USD m) **2,580**
Est. Foreign room left (%) **48.3**
Est. free float (%) **7.9**
3m avg daily vol (shrs) **7,196,697**
VND/USD **25,473**
Index: VNIndex / HNX **1264.48/226.36**

BINH SON REFINING AND PETROCHEMICAL JSC (BSR VN)

BSR announced Q3/2024 business results with net loss of VND1,209 bn (compared to NPAT of VND3,235 bn in Q3/2023), lower than our expectations, primarily due to a continuous decline of oil prices in Q3/2024 (-17%), which led to a narrowing crack spread. In 9M2024, BSR completed 58% of the company's annual plan and 12% of our initial forecast. We revise BSR's 2024 NPAT forecast down by 44.8% compared to the previous report but expect a 79.1% YoY recovery in 2025 NPAT from the low base of 2024, driven by an increase in output as there will be no plant maintenance. Our target price for BSR by the end of 2025 is VND23,000/share, equivalent to a total return of 10.4%. Recommendation **OUTPERFORM**.

BSR recorded revenue of VND31,945 bn (-15.4% YoY) and loss after tax of VND1,209 bn (compared to NPAT of VND3,235 bn in Q3/2023) in Q3/2024. Despite a 9% YoY increase in sale volume, the decline in revenue and profit was due to:

- The average price of Brent crude oil decreased from 85.31 USD/barrel in July 2024 to 74.33 USD/barrel in September 2024, significantly narrowing the crack spread (the difference between crude oil prices and product prices).
- As a result, gross profit margin of key products such as Diesel, RON92 and RON95 gasoline were impacted adversely, recording margins of -0.04%, -8.5%, and -11.1%, respectively.

However, oil prices in the last week of September 2024 were almost flat, compared to an 8% drop at the end of September 2023. Consequently, a lighter provision for inventory devaluation in Q3/2024 to only VND177 bn, from VND821 bn in Q3/2023, prevented the loss from exacerbating.

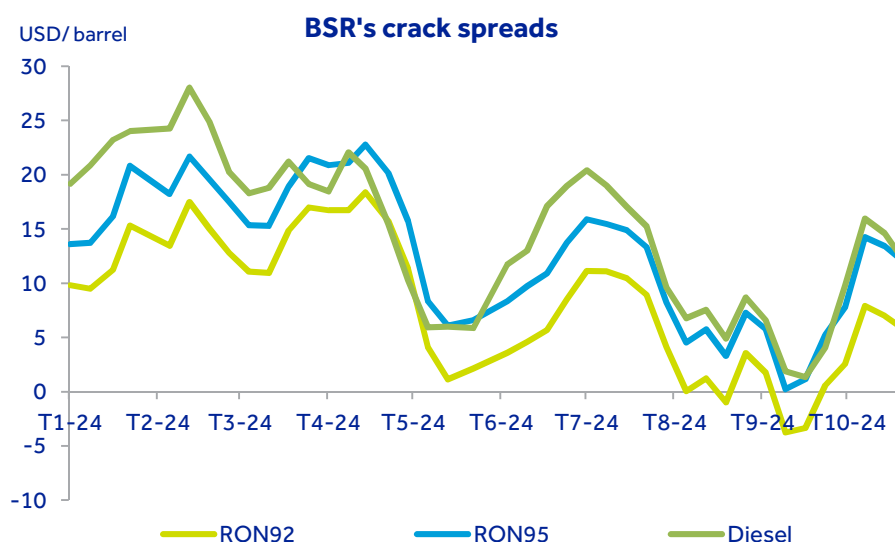
Accumulated in 9M2024, BSR recorded net revenue of VND87,058 bn (-17.4% YoY) and NPAT of VND674 bn (-89% YoY), completing 58.7% of the company's annual plan and 22% of our revised full-year forecast.

Regarding the outlook for Q4/2024, we expect the company's business results to recover well as the crack spread in October showed an improvement compared to the average in Q3, albeit still lower than that in Q1/2024. However, this recovery is expected to be restrained by: (1) oil prices facing pressure from OPEC's planned increase in production starting in December this year and (2) increased domestic competition from imported petroleum products (driven by a reduction in import tax to 0% from 5% in 2023). Conversely, if the conflict in the Middle East spreads, it could support an increase in oil prices.

	2022	2023	2024F	2025F	2026F
Net Sales (VNDbn)	167,124	147,423	125,541	134,284	131,592
Growth (%)	65%	-12%	-15%	7%	-2%
EBITDA (VNDbn)	16,865	10,217	3,923	6,265	7,515
EBITDA margin	10%	7%	3%	5%	6%
Net income (VNDbn)	14,669	8,455	3,093	5,538	6,932
Growth (%)	119%	-42%	-63%	78%	25%
EPS (bonus-adjusted, VND)	4,750	2,745	1,007	1,796	2,245
Growth (%)	119%	-42%	-63%	78%	25%
ROE (%)	33%	16%	5%	9%	11%
ROIC (%)	20%	9%	2%	4%	5%
Net debt/EBITDA (x)	-1.0	-2.7	-7.6	-4.4	-3.3
PER (times)	5.1	8.8	24.0	13.5	10.8
EV/EBITDA (x)	3.3	4.3	10.5	6.9	6.1
PBR (times)	1.5	1.3	1.3	1.2	1.1
DPS (VND)	434	700	700	300	300
Dividend yield (%)	2%	3%	3%	1%	1%

BSR's business results	Q3/2024	Q3/2023	YoY	9T2024	9T2023	YoY
Revenue (bn VND)						
Gasoline A95	10,491	11,543	-9.1%	26,372	29,980	-12.0%
Gasoline A92	2,998	4,823	-37.8%	9,281	15,314	-39.4%
Diesel 0.05S (DO)	12,350	14,008	-11.8%	35,020	40,156	-12.8%
Gross profit margin (%)						
Gasoline A95	-8.5%	10.7%		-3.8%	5.8%	
Gasoline A92	-11.1%	8.7%		-6.5%	3.9%	
Diesel 0.05S (DO)	-0.04%	20.1%		5.8%	12.4%	
SG&A	293	313	-6.4%	822	1,061	22.5%
NPAT	-1,209	3,235		674	6,186	-89.1%

Source: BSR, ACBS



Source: ACBS estimates

CONTACTS

Ho Chi Minh City Head Office

117 Nguyen Dinh Chieu, Dist. 3, Ho Chi Minh City
Tel: (+84 28) 7300 7000
Fax: (+84 28) 7300 3751

Hanoi Office

10 Phan Chu Trinh, Hoan Kiem Dist., Ha Noi
Tel: (+84 4) 3942 9395
Fax: (+84 4)3942 9407

RESEARCH DEPARTMENT

Head of Research

Trang Do

(+84 28) 7300 7000 (x1041)
trangdm@acbs.com.vn

Manager – Properties Truc Pham

(+84 28) 7300 7000 (x1043)
trucptt@acbs.com.vn

Manager – Financials Hung Cao

(+84 28) 7300 7000 (x1049)
hungcv@acbs.com.vn

Manager – Consumer-related, Technology

Chi Luong
(+84 28) 7300 7000 (x1042)
chiltk@acbs.com.vn

Associate – Oil & Gas Hung Phan

(+84 28) 7300 7000 (x1044)
hungpv@acbs.com.vn

Associate – Industrials Trung Tran

(+84 28) 7300 7000 (x1045)
trungtn@acbs.com.vn

Analyst – Utilities Toan Pham

(+84 28) 7300 7000 (x1051)
toanpd@acbs.com.vn

Associate – Macro & Money Market

Minh Trinh Viet
(+84 28) 7300 7000 (x1046)
minhtvh@acbs.com.vn

Associate - Logistic Hung Nguyen

(+84 28) 7300 7000 (x1047)
hungnt@acbs.com.vn

Associate – Construction Dat Do

(+84 28) 7300 7000 (x1048)
datdt@acbs.com.vn

Analyst – Technical Huu Vo

(+84 28) 7300 7000 (x1052)
huvvp@acbs.com.vn

Analyst – Market data Anh Mai

(+84 28) 7300 7000 (x1110)
anhmd@acbs.com.vn

INSTITUTIONAL CLIENT DIVISION

Director

Huong Chu

(+84 28) 7300 7000 (x1083)
huongctk@acbs.com.vn
groupis@acbs.com.vn

Associate

Huynh Nguyen

(+84 28) 7300 6879 (x1088)
huynhntn@acbs.com.vn

Associate

Thanh Tran

(+84 28) 7300 6879 (x1120)
thanhtt@acbs.com.vn

DISCLAIMER

Our Recommendation System

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

Analyst Certification(s)

We, the author(s) of this report, hereby certify (1) that the views expressed in this research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

ACBS and/or an affiliate thereof (hereby collectively called ACBS) did or may seek to do business with companies covered in this report as its routine business. ACBS's proprietary trading accounts may have a position in such companies' securities. As a result, the investor should be aware that ACBS may have a conflict of interest from time to time.

ACBS produces a variety of research products including, but not limited to, fundamental analysis, equity-linked analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of research product may differ from recommendations contained in other types of research products, whether as a result of differing time horizons, methodologies, or otherwise.

Disclaimer

This report is provided for information purposes only. ACBS makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this report. ACBS will not treat unauthorized recipients of this report as its clients. Prices shown (if any) are indicative and ACBS is not offering to buy or sell or soliciting offers to buy or sell any financial instrument. **Without limiting any of the foregoing and to the extent permitted by law, in no event shall ACBS, nor any affiliate, nor any of their respective officers, directors, partners, or employees have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this report or its contents.** Other than disclosures relating to ACBS, the information contained in this report has been obtained from sources that ACBS believes to be reliable, but ACBS does not represent or warrant that it is accurate or complete. The views in this report are subject to change, and ACBS has no obligation to update its opinions or the information in this report.

Some parts of this report reflect the assumptions, views and analytical methods of the analysts who prepared them, and ACBS is not responsible for any error of their works and assumptions. ACBS may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report.

The analyst recommendations in this report reflect solely and exclusively those of the author(s), and such opinions were prepared independently of any other interests, including those of ACBS. This report does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the investors who receive it. The securities discussed herein may not be suitable for all investors. ACBS recommends that investors independently evaluate each issuer, securities or instrument discussed herein and consult any independent advisors they believe necessary. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

This report may not be distributed to the public media or used by the public media without prior written consent of ACBS. Otherwise it will be considered as illegal. The breacher shall compensate fully to ACBS any loss or damage which arises from such breach (if any).

In the event that the distribution and/or receipt of this report is prohibited by the investor's jurisdiction, the investor shall dismiss this report immediately otherwise it will be at his/her own risks.

ACBS does not provide tax advice and nothing contained herein should be construed to be tax advice. Accordingly, the investors should seek advice based on their particular circumstances from an independent tax advisor. This report may contain links to third-party websites. ACBS is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this report and is not incorporated by reference into this report. The inclusion of a link in this report does not imply any endorsement by ACBS. Access to any third-party website is at the investor's own risks, and the investor should always review the terms and privacy policies at third-party websites before submitting any personal information to them. ACBS is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

© Copyright ACBS (2024). All rights reserved. No part of this report may be reproduced in any manner without the prior written permission of ACBS.