DIESEL UNLOCKS EARNINGS

03/09/2026

RECOMMENDATION	OVERWEIGHT
Fair value (VND/share)	31,150
Current price (VND/share)	26,600
Upside	**17.1%**

STOCK INFORMATION

Shares outstanding (mn)	5,007
Free float (%)	8%
Market cap (VND bn)	132,693
3M ADTV (shares)	9.3
Foreign ownership (%)	1.1%
First listing date	3/1/2018

SHAREHOLDER STRUCTURE

PVN	92.1%
Others	7.9%

KEY METRICS

TTM EPS (VND)	3,933
BVPS (VND)	14,844
Debt/Equity (%)	42.0%
ROA (%)	20.7%
ROE (%)	30.2%
P/E	6.74
P/B	1.79
Dividend yield (%)	1.13%

SHARE PRICE PERFORMANCE

COMPANY OVERVIEW

BSR was established in 2008 and converted into a joint-stock company in 2018. The company operates the Dung Quat Oil Refinery, a national key project with investment of over USD3bn and annual crude oil processing capacity of 6.5mn tonnes, or 148,000 barrels per day. BSR currently accounts for around 30% of Vietnam's energy demand and was officially listed on HOSE on 17 January 2025.

ANALYST

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- **Strong revenue and core earnings growth**: BSR's 2026 performance is not simply driven by higher oil prices. Earnings surged as diesel and jet-fuel crack spreads widened while Dung Quat operated at around 124% of design capacity. 1H26 revenue rose 52.4% to VND104.6tn, while net profit increased nearly 13-fold to VND15.7tn.
- **Diesel unlocks earnings**: Diesel contributed VND11.5tn, or 63.6%, of BSR's 1H26 gross profit. Together with Jet/KO, the two groups accounted for more than 76.8%.
- **Diesel crack spreads returned to peak levels in July and August**, supporting strong earnings in Q3 and FY2026. In Q2, high-cost inventories and the sharp decline in diesel and RON92 crack spreads from mid-quarter reduced gross margin from approximately 20.7% to 14.7%.
- **A strong financial foundation**, low depreciation and multiple re-rating catalysts.
- **Attractive but cyclical valuation**: BSR currently trades at a trailing P/E of 6.76x and a 2026F P/E of 5.4x, which appear attractive relative to its historical trading range.

Investment Thesis:

1. **Domestic competitive advantages and ability to translate opportunities into earnings:** BSR currently supplies approximately 30% of Vietnam's domestic petroleum demand. The domestic consumption market helps reduce logistics risks. In addition, BSR's greatest advantage lies not only in its capacity, but also in its ability to process many different crude oil grades. BSR has now raised the number of crude oil grades it can process to 40, opening up the potential for Vietnam's refining and petrochemical industry to be more proactive in the face of unpredictable swings in the energy market.
2. **Strong balance sheet and a deeply depreciated asset base:** BSR currently holds approximately VND53.7 trillion in cash, while carrying no long-term borrowings and only VND12.77 trillion in short-term debt. As of 1H2026, BSR's tangible fixed assets had been approximately 77.7% depreciated.

Valuation & Recommendation

Based on the relative valuation method, we forecast BSR's fair value at VND31,150 per share, implying 17.1% upside versus the current market price.

Risks

Cyclicality, and the possibility of a sharper-than-expected decline in diesel crack spreads in Q4/26 and 2027.