

Binh Minh Plastics (BMP)

Enjoying stable low PVC resin prices

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1H25 NPAT surged 31% YoY

Busier residential construction activities will ensure consumption prospects in the next two years

We raise GPM forecast for BMP based on favorable PVC resin price expectations

The company has offered attractive cash dividend yield

Valuation: NEUTRAL rating – Target price VND146,200/share

Binh Minh Plastics (BMP) recorded VND2,691 billion/VND617 billion in revenue/profit in 1H25 (up 25%/31% YoY respectively) thanks to (1) a 30% YoY increase in sales volume and (2) a 15% YoY decrease in PVC resin prices.

We maintain our expectation that construction activities will return to growth in 2026 – 2027 after a remarkable bounceback in 2025. KBSV estimates BMP's sales volume at 90,200/97,500/103,500 tons in 2025/2026/2027 (up 17%/8%/6% YoY).

KBSV upgrades the forecast for BMP's GPM to 43.6%/41.5% in 2025/2026, based on expectations that (1) PVC resin prices will stay low amid the lack of clear signs of recovery in the Chinese real estate market, home sales will continue to decline, and (2) oil prices should fluctuate in the range of USD65–68/barrel in 2025 – 2026.

At the current price range, BMP's cash dividend yield is estimated to average 9.9%/year in the 2025 – 2027 period.

We determine BMP's fair value at VND 146,200/share (equivalent to an increase of 6.9% from the closing price on August 14, 2025). BMP's profit margin is estimated at 16.9%, including cash dividend yield in 2025.

Neutral maintain

Target price VND146,200

Upside	6.9%
Current price (Aug 14, 2025)	VND137,300
Consensus target price	VND137,300
Market cap (VNDtn/USDbn)	11.5/0.4

Forecast earnings & valuation

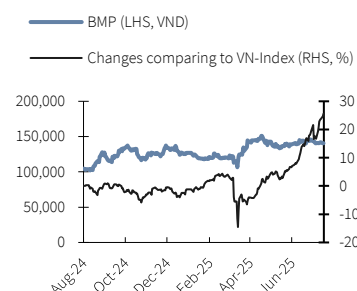
FY-end	2023A	2024A	2025F	2026F
Net revenue (VNDbn)	5,157	4,616	5,324	5,948
Operating income/loss (VNDbn)	1,304	1,229	1,453	1,471
NPAT-MI (VNDbn)	1,041	991	1,164	1,176
EPS (VND)	12,717	12,103	14,220	14,372
EPS growth (%)	49.9	-4.8	17.5	1.1
P/E (x)	8.2	10.8	9.9	9.8
P/B (x)	3.2	4.0	4.2	4.1
ROE (%)	39.2	36.8	42.7	42.6
Dividend yield (%)	11.3	9.0	9.8	9.9

Trading data

Free float	43.8%
3M avg trading value (VNDbn/USDmn)	22.7/0.9
Foreign ownership	85.7%
Major shareholder	Nawaplastic (54.9%)

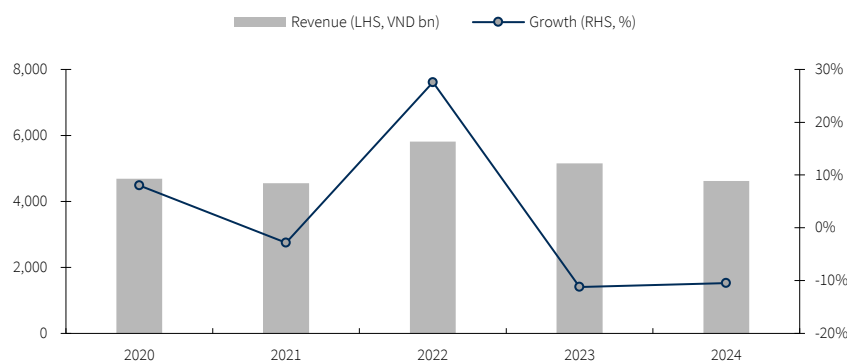
Share price performance

(%)	1M	3M	6M	12M
Absolute	-3	-4	18	45
Relative	-13	-30	-9	14



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2024)



Source: Binh Minh Plastics, KB Securities Vietnam

Business operation

Binh Minh Plastics (BMP) is a leading enterprise in the plastic pipe manufacturing sector, holding a dominant 27% market share in the domestic market as of the end of 2023, with its primary market concentrated in the Southern region. BMP operates four plastics manufacturing plants with a total production capacity of 150,000 tons per year.

Investment Catalysts

BMP's plastic pipe sales volume is estimated to edge up 17%/8% YoY on the increase in residential construction activities in 2025 – 2027.

GPM of the company is expected to reach 43.6%/41.5% in 2025/2026 as input PVC resin prices may remain low until the end of 1H26.

Cash dividend yield should average 9.9% in 2025 – 2027, a lucrative yield.

Notes

Please see more details below

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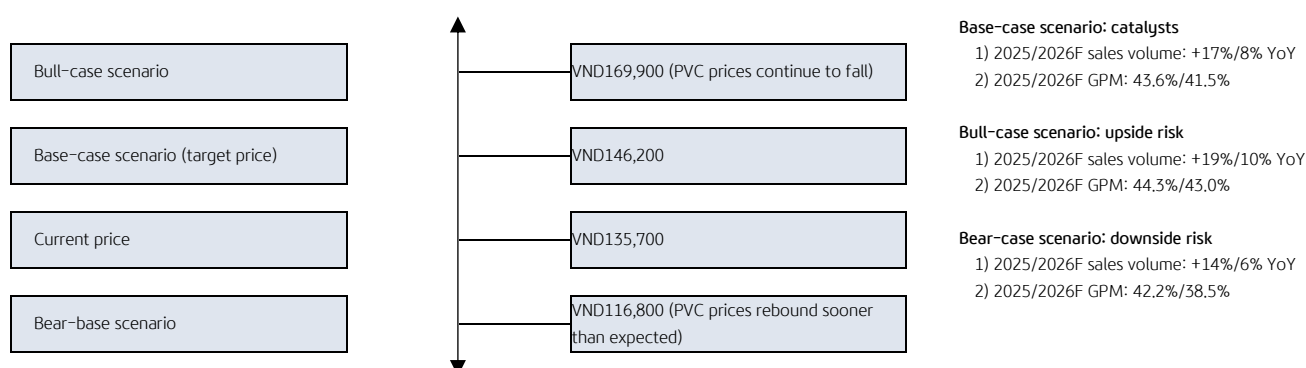
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Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	5,324	5,948	-1%	0%	5,308	5,509	0%	8%
EBIT	1,523	1,546	4%	2%	1,477	1,449	3%	7%
NP after MI	1,164	1,176	5%	4%	1,105	1,093	5%	8%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



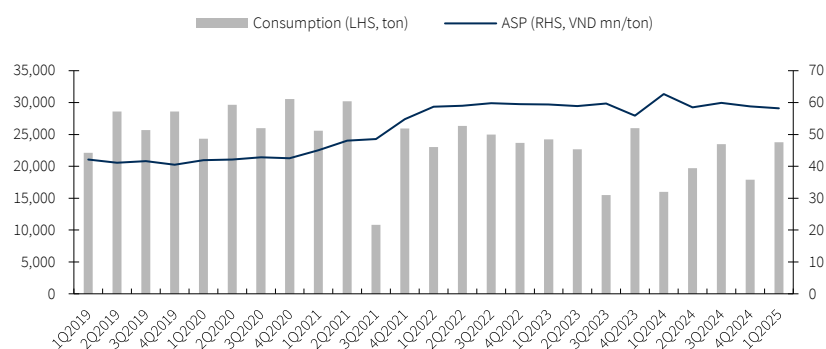
Business performance

Table 1. BMP – 1Q25 updated results

(VNDbn, %)	2Q24	2Q25	+/-%YoY	1H24	1H25	+/-%YoY	Notes
Revenue	1,153	1,308	13%	2,156	2,691	25%	1H25 sales volume showed a strong upbeat (+30% YoY) with (1) busier construction activities and (2) more discount programs for distributors.
Gross profit	506	611	21%	931	1,201	29%	
<i>Gross profit margin</i>	<i>43.8%</i>	<i>46.7%</i>	<i>285bps</i>	<i>43.2%</i>	<i>44.6%</i>	<i>146bps</i>	Average selling price remained stable while PVC resin price in 1H25 dropped by an average of 15% YoY.
Financial income	17	25	49%	36	47	29%	
Financial expenses	-33	-38	16%	-61	-78	28%	
Shared profits from affiliates	0	0		0	0		
SG&A	-141	-187	33%	-320	-401	26%	1H25 distribution system costs were 25% more than those of the same period last year.
Operating income/loss	349	412	18%	586	769	31%	
Other income	1	1	-42%	2	2	-3%	
Profit before taxes (PBT)	350	412	18%	588	771	31%	
Net profit after taxes (NPAT)	280	330	18%	470	617	31%	BMP completed 58% of full-year NPAT plan.
NPAT-MI	280	330	18%	470	617	31%	
<i>NPAT margin</i>	<i>24.3%</i>	<i>25.2%</i>	<i>91bps</i>	<i>21.8%</i>	<i>22.9%</i>	<i>111bps</i>	

Source: Binh Minh Plastics, KB Securities Vietnam

Fig 2. BMP – Sales volume & average selling price (ton, VNDmn/ton)



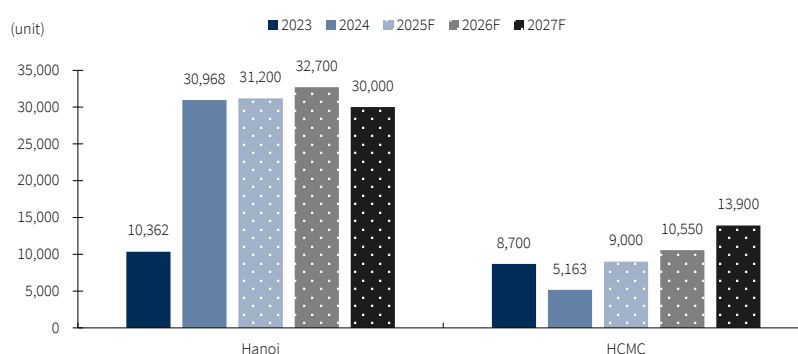
Source: Binh Minh Plastics, KB Securities Vietnam

Residential construction activities in 2026 – 2027 should post a strong recovery

CBRE forecasts apartment supply in Ho Chi Minh City will reach a CAGR of 24.3%/year in 2025 – 2027.

In the first six months of the year, plastic pipe consumption output of BMP is estimated at 46,330 tons (+30% YoY), corresponding to 51% of KBSV's forecast. We maintain an optimistic view on BMP's consumption growth prospects in 2025 – 2027, driven by stronger demand from housing projects amid the recovery of the whole real estate market from 2025 (more details in [the last update report](#)). KBSV expects BMP will sell 90,200/97,500/103,500 tons in plastic pipes in 2025/2026/2027, respectively (up 17%/8%/6% YoY).

Fig 3. Hanoi, HCMC – 2025–2026F apartment supply (unit)

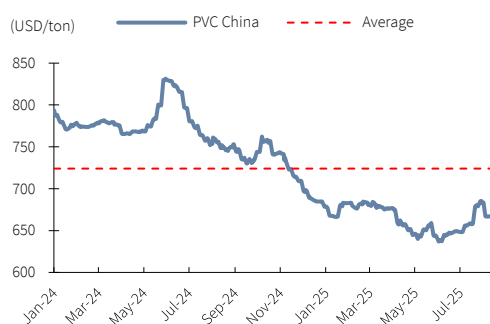


Source: CBRE, KB Securities Vietnam

PVC prices are poised to stay low under the adverse impact from the Chinese land market

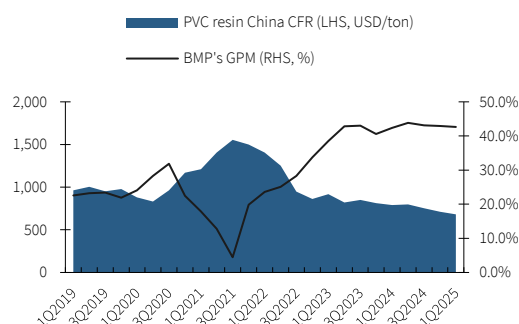
PVC resin prices in China continued to decline in 2Q (averaging USD646/ton, down 19% YoY) as home sales continued to shrink due to sluggish demand. Despite a modest rebound in PVC resin prices in July 2025 (up 5% MoM), according to SunSirs, operating capacity has been flat with cautious sentiment as manufacturers prioritized inventory control. We still believe that the current trend of PVC resin prices will last until 1H26 in the context of (1) the Chinese real estate market sagging and showing no signs of recovery amid a lack of new policies to support the industry and (2) oil prices fluctuating between USD65 – 68/barrel in 2025 – 2026. KBSV revised its estimate of BMP's GPM to 43.6%/41.5% in 2025/2026.

Fig 4. China – PVC resin prices (USD/ton)



Source: Bloomberg, KB Securities Vietnam

Fig 5. BMP – Correlation between Chinese PVC resin prices & BMP's GPM



Source: Binh Minh Plastics, Bloomberg, KB Securities Vietnam

Table 6. Global – Oil price forecasts (USD/barrel)

	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26
Median	66.5	66.0	65.5	65.5	66.5	65.0
Morgan Stanley	60.0	57.5	57.5	55.0	55.0	57.5
JP Morgan Chase	67.0	63.0	61.0	55.0	57.0	57.0
Citigroup	62.0	63.0	63.0	65.0	65.0	65.0
UBS Group	68.0	68.0	68.0	68.0	68.0	
BofA Merrill Lynch	58.0	61.0	66.0	68.0	70.0	70.0
Goldman Sachs	64.0	61.0	59.0	57.0	56.0	55.0
BNP Paribas	67.0	67.0	62.0	60.0	61.0	62.0
Standard Charter	53.0	52.0	65.0	71.0	76.0	81.0
MUFG	65.0	63.0	62.0	64.0	62.0	63.0
HSBC	67.0	67.0	65.0	65.0	65.0	

Source: Bloomberg, KB Securities Vietnam

* Note: Oil prices are forecast to hover around USD65/barrel in 2025–2026, helping PVC resin prices stay in the low range.

Cash dividend yield remains high

KBSV maintains its assumption of a 97% dividend payout ratio for BMP in 2025 – 2027 and estimates an average cash dividend yield of 9.9%.

Table 7. BMP – 2025–2027F EPS, DPS (VND)

	2025F	2026F	2027F
EPS	14,220	14,372	13,711
Cash dividend payout ratio	97%	97%	97%
DPS	13,700	13,900	13,200
Outstanding cash dividend	13,700	13,900	13,200
Cash dividend yield	10.0%	10.1%	9.6%

Source: KB Securities Vietnam

Forecast & valuation

Table 8. BMP – 2024A–2026F financials & forecasts

(VNDbn, %)	2024A	2025F	+/-%YoY	2026F	+/-%YoY	Assumptions
Revenue	4,616	5,324	15%	5,948	12%	Sales volume increases by 17%/8% in 2025/2026F.
Gross profit	1,989	2,319	17%	2,468	6%	
<i>Gross profit margin</i>	<i>43.1%</i>	<i>43.6%</i>	<i>48bps</i>	<i>41.5%</i>	<i>-207bps</i>	GPM improves thanks to (1) BMP increasing discounts for dealers and (2) PVC resin prices dropping, which may rebound no sooner than 2H26.
Interest income	78	107	38%	132	23%	
Interest expenses	0	0		0		
FX gains/losses, payment discounts	-144	-170	18%	-208	22%	BMP raises payment discounts to stimulate sales.
Shared profits from affiliates	0	0		0		
SG&A	-676	-796	18%	-922	16%	BMP increases sales support programs.
Operating income/loss	1,229	1,453	18%	1,471	1%	
Other income	12	2	-84%	0		
Profit before taxes (PBT)	1,241	1,856	50%	1,471	-21%	
Net profit after taxes (NPAT)	991	1,164	17%	1,176	1%	
NPAT-MI	991	1,164	17%	1,176	1%	
<i>NPAT margin</i>	<i>21.5%</i>	<i>21.9%</i>	<i>40bps</i>	<i>19.8%</i>	<i>-208bps</i>	

Source: Binh Minh Plastics, KB Securities Vietnam

We maintain our NEUTRAL rating to BMP with a target price of VND146,200

BMP's share price has been moving sideways recently after increasing by 12% YTD. We believe that BMP's business performance growth prospects in 2025 have already been priced in. BMP's current PBR is at 4.1x, corresponding to its 10-year historical mean +2Std. We determine the fair value of BMP at VND146,200/share with a NEUTRAL rating.

The main risk that may change our forecast is the recovery of input material prices (PVC resin and/or oil prices) which may occur earlier than expected.

Table 9. BMP – Model assumptions

Assumptions	Value
Beta	0.7
Risk-free rate	4.7%
Market risk premium (MPR)	8.4%
Average interest rate	1.0%
WACC	10.3%

Fig 10. BMP – DCF model (VNDbn)

(VNDbn)	2025F	2026F	2027F	2028F
NPAT-MI	1,164	1,176	1,122	1,094
Depreciation expenses	122	138	157	177
Change in working capital	-92	-112	-54	-137
CAPEX	-133	-150	-162	-174
FCF	1,062	1,052	1,063	960

Source: KB Securities Vietnam

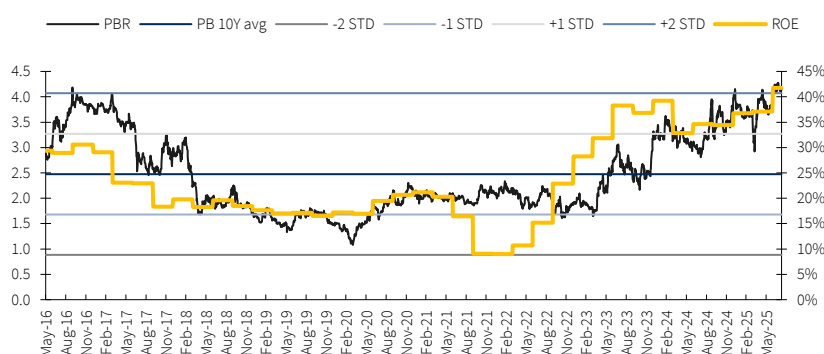
Table 11. BMP – FCFF valuation

(VNDbn)	2025F	2026F	2027F	2028F
FCF	1,062	1,052	1,063	960
Terminal growth				1%
Terminal value				10,442
Present value of FCF	1,022	919	842	7,496
Enterprise value (EV)	10,279			
Cash & equivalents	1,753			
Net debt	-55			
Owner's equity	11,976			
Number of shares outstanding	82			
Fair value	146,200			

Source: KB Securities Vietnam

BMP's current PBR is equal to its 10-year average +2Std

Fig 12. BMP – 10-year PBR & ROE (%)



Source: Bloomberg, KB Securities Vietnam

BMP – 2023A–2026F summarized financials & forecasts

Income Statement (VND billion) (Standard report)	2023	2024	2025F	2026F
Net sales	5,157	4,616	5,324	5,948
Cost of sales	-3,041	-2,627	-3,004	-3,479
Gross Profit	2,116	1,989	2,319	2,468
Financial income	117	117	100	132
Financial expenses	-144	-144	-170	-208
of which: interest expenses	0	0	0	0
Gain/(loss) from joint ventures (from 2015)	-2	0	0	0
Selling expenses	-676	-556	-655	-759
General and admin expenses	-107	-120	-141	-163
Operating profit/(loss)	1,304	1,229	1,453	1,471
Other incomes	6	12	2	0
Other expenses	-3	0	2	0
Net other income/(expenses)	3	12	2	0
Income from investments in other entities	0	0	0	0
Net accounting profit/(loss) before tax	1,307	1,241	1,856	1,471
Corporate income tax expenses	-266	-250	-291	-294
Net profit/(loss) after tax	1,041	991	1,164	1,176
Minority interests	0	0	0	0
Attributable to parent company	1,041	991	1,164	1,176

Margin ratio	2023	2024	2025F	2026F
Gross profit margin	41.0%	43.1%	43.6%	41.5%
EBITDA margin	31.4%	32.2%	32.8%	30.6%
EBIT margin	28.1%	29.7%	30.5%	28.2%
Pre-tax profit margin	25.3%	26.9%	34.9%	24.7%
Operating profit margin	25.3%	26.6%	27.3%	24.7%
Net profit margin	20.2%	21.5%	21.9%	19.8%

Cash Flow Statement (VND billion)	2023	2024	2025F	2026F
Net profit/(loss) before tax	1,307	1,241	1,856	1,471
Depreciation and amortisation	172	111	122	138
Profit/loss from investing activities	-118	-78	0	0
Interest expense	0	0	0	0
Operating profit/(loss) before changes in Working Capital	1,344	1,266	1,978	1,609
(Increase)/decrease in receivables	107	6	-28	-41
(Increase)/decrease in inventories	229	-92	-74	-104
Increase/(decrease) in payables	138	-57	10	32
(Increase)/decrease in prepaid expenses	60	34	0	0
Operating cash flow	1,603	889	1,615	1,240
Purchases of fixed assets and other long term assets	-58	-98	-133	-150
Proceeds from disposal of fixed assets	3	1	0	0
Loans granted, purchases of debt instruments	-1,660	-1,130	-246	0
Collection of loans, proceeds from sales of debts instrume	1,435	910	0	0
Investments in other entities	0	0	0	0
Proceeds from divestment in other entities	0	0	0	0
Dividends and interest received	106	80	0	0
Investing cash flow	-174	-237	-379	-150
Proceeds from issue of shares	0	0	0	0
Payments for share returns and repurchases	0	0	0	0
Proceeds from borrowings	0	0	0	0
Repayment of borrowings	0	0	-4	0
Finance lease principal payments	0	0	0	0
Dividends paid	-966	-969	-1,121	-1,138
Interests, dividends, profits received	0	0	0	0
Financing cash flow	-966	-970	-1,126	-1,138
Net increase in cash and cash equivalents	463	-317	110	-48
Cash and cash equivalents - beginning	359	821	504	615
Cash and cash equivalents - ending	821	504	615	566

Source: Binh Minh Plastics, KB Securities Vietnam

Balance Sheet (VND billion) (Standard report)	2023	2024	2025F	2026F
TOTAL ASSET	3,255	3,200	3,674	3,782
CURRENT ASSETS	2,594	2,596	3,071	3,167
Cash and cash equivalents	821	504	615	566
Short-term investments	1,190	1,410	1,656	1,656
Accounts receivable	174	178	206	246
Inventories	364	464	538	642
LONG-TERM ASSETS	661	604	603	615
Long-term trade receivables	20	20	20	20
Fixed assets	286	265	278	290
Long-term incomplete assets	12	20	18	18
Long-term investments	64	64	64	64
Good will (before 2015)	0	0	0	0
LIABILITIES	565	499	529	599
Current liabilities	546	481	511	581
Trade accounts payable	154	172	182	214
Short-term borrowings	55	55	51	51
Other short-term liabilities	337	254	279	316
Long-term liabilities	19	18	18	18
Long-term trade payables	0	0	0	0
Long-term borrowings	0	0	0	0
Other long-term liabilities	19	18	18	18
OWNER'S EQUITY	2,690	2,702	2,744	2,783
Paid-in capital	819	819	819	819
Share premium	2	2	2	2
Other funds	1,202	1,202	1,202	1,202
Undistributed earnings	667	679	722	760
State capital	0	0	0	0
Interest of non-controlling shareholders	0	0	0	0

Key ratios (x, %, VND)	2023	2024	2025F	2026F
Multiple				
P/E	8.2	10.8	9.6	9.5
P/E diluted	8.2	10.8	9.6	9.5
P/B	3.2	4.0	4.1	4.0
P/S	0.0	0.0	0.0	0.0
P/Tangible Book	30.5	41.5	41.2	39.4
P/Cash Flow	5.3	12.1	6.9	9.0
EV/EBITDA	5.2	7.2	6.5	6.4
EV/EBIT	5.8	7.8	7.0	6.9
Operating performance				
ROE	39%	0.37	0.43	0.43
ROA	0.33	0.31	0.34	0.32
ROIC	0.38	0.36	0.42	0.42
Financial structure				
Cash Ratio	1.5	1.0	1.2	1.0
Quick Ratio	4.0	4.3	4.8	4.2
Current Ratio	4.7	5.4	6.0	5.4
LT Debt/Equity	0.0	0.0	0.0	0.0
LT Debt/Total Assets	0.0	0.0	0.0	0.0
Debt/Equity	0.0	0.0	0.0	0.0
Debt/Total Assets	0.0	0.0	0.0	0.0
ST Liabilities/Equity	0.2	0.2	0.2	0.2
ST Liabilities/Total Assets	0.2	0.1	0.1	0.1
Total Liabilities/Equity	0.2	0.2	0.2	0.2
Total Liabilities/Total Assets	0.2	0.1	0.1	0.1
Activity ratios				
Account Receivable Turnover	22.8	26.2	27.8	26.3
Inventory Turnover	6.5	6.3	6.0	5.9
Account Payable Turnover	21.4	18.4	16.9	17.5

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Investment ratings & definitions

Investment Ratings for Stocks

(Based on the expectation of price gains over the next 6 months)

Buy:	Neutral:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(Based on the assessment of sector prospects over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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