

Binh Minh Plastics (BMP)

High dividend yields with benefits from trade war

June 9, 2025

Senior Analyst Nguyen Duong Nguyen
(+84) 24-7303-5333 nguyenn1@kbsec.com.vn

BMP reached 27% of full-year profit target at the end of 1Q

Binh Minh Plastics JSC (BMP) logged VND1,383 billion/VND287 billion in 1Q25 revenue/NPAT (+31%/24% YoY) respectively thanks to (1) a 47% YoY increase in sales volume after raising discounts for dealers in March and (2) a 14% YoY decrease in average PVC resin price in the quarter.

The rebound of housing construction activities is the main driver for 2025F sales volume

1Q plastic pipe sales volume is estimated to gain 30% YoY. We raise our estimate for the entire industry sales volume in 2025 by 15% (vs. 6% in 4Q24 update report) after sales data for the first three months of the year exceeded expectations. However, we expect BMP to maintain a more competitive discount policy compared to last year to regain market share. BMP's sales volume should reach 90,300/97,500 tons in 2025/2026F (+17%/8% YoY).

Higher GPM forecast is based on the expectation of low PVC resin prices until 1H26

We raise our projection for BMP's GPM to 42%/41% in 2025/2026 as PVC resin prices may remain low due to (1) sluggish demand in China amid the slow recovery of the real estate market and trade war-hit production and export. In addition, (2) oil prices should continue moving sideways, averaging USD65/barrel until 1H26.

Cash dividend yield is attractive

At the current price range, BMP's cash dividend yield is estimated to average 9.5%/year in 2025–2027F.

Valuation: NEUTRAL rating – Target price VND145,900

Considering the company's high dividend yield and stable business operations, we determine BMP's target price at VND145,900/share (equivalent to a return of 7.5% compared to the closing price on June 5, 2025).

Neutral maintain

Target price VND145,900

Upside	6.5%
Current price (Jun 5, 2025)	VND137,100
Consensus target price	VND146,200
Market cap (VNDtn/USDbn)	11.2/0.4

Forecast earnings & valuation

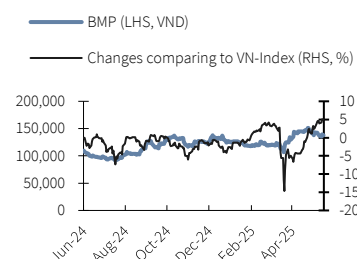
FY-end	2023A	2024A	2025F	2026F
Net revenue (VNDbn)	5,157	4,616	5,388	5,948
Operating income/loss (VNDbn)	1,304	1,229	1,384	1,420
NPAT-MI (VNDbn)	1,041	991	1,108	1,136
EPS (VND)	12,717	12,103	13,539	13,878
EPS growth (%)	50	-5	12	3
P/E (x)	10.0	10.7	10.2	9.9
P/B (x)	3.9	3.9	4.1	4.1
ROE (%)	39	37	41	41
Dividend yield (%)	9.3	9.1	9.5	9.7

Trading data

Free float	44.1%
3M avg trading value (VNDbn/USDmn)	34.3/1.3
Foreign ownership	84.2%
Major shareholder	Nawaplastic (54.9%)

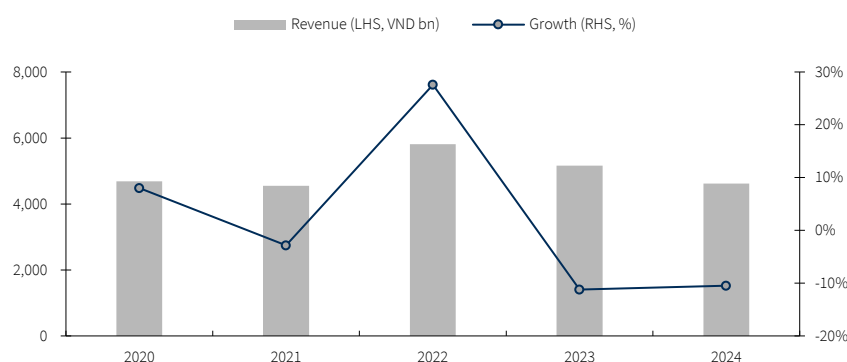
Share price performance

(%)	1M	3M	6M	12M
Absolute	-4	10	8	23
Relative	-13	6	0	18



Source: Bloomberg, KB Securities Vietnam

Revenue composition (2020 – 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 factories with a total production capacity of 150,000 tons per year.

Investment Catalysts

Notes

Residential construction activities return to growth in 2025–2027. We estimate BMP's 2025/2026F plastic pipe sales volume at 90,300/97,500 tons (+17%/8% YoY).

Please find more details below

Input PVC costs are forecast to remain low until the end of 1H26. KBSV raises BMP's GPM projection to 42%/41% in 2025/2026F.

Please see more details below

BMP offers lucrative cash dividend yields. At the current price range, KBSV estimates BMP's cash dividend yield to average 9.5%/year in 2025–2027F.

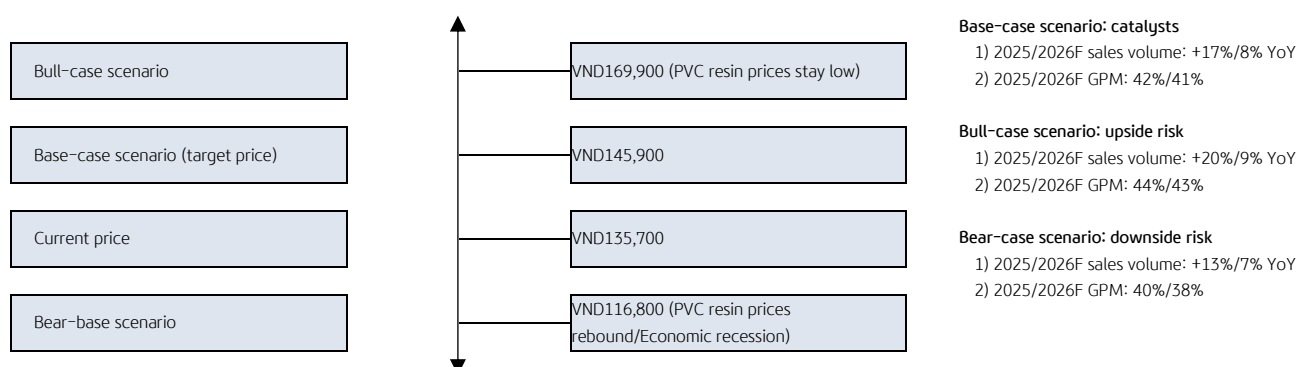
Please see more details below

Revised earnings estimates

(VNDbn)	KBSV estimates		Change vs previous estimates		Consensus*		Difference	
	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Revenue	5,388	5,948	3.2%	4.8%	5,118	5,535	5.3%	7.5%
EBIT	1,471	1,517	12.1%	16.2%	1,404	1,398	4.8%	8.5%
NP after MI	1,108	1,136	12.9%	16.5%	1,096	1,055	1.1%	7.7%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks



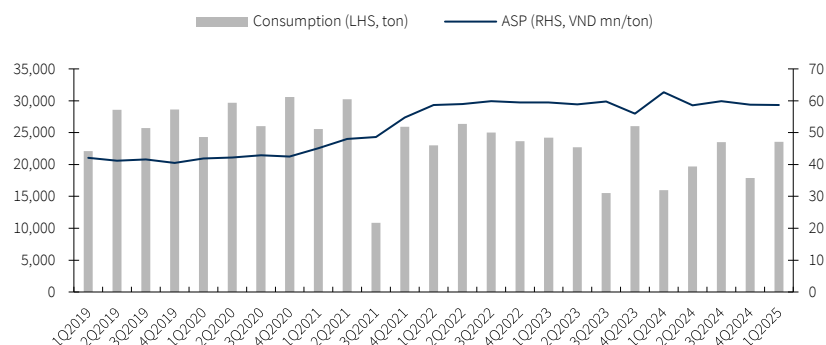
Business performance

Table 1. BMP – 1Q25 updated results

(VNDbn, %)	1Q24	1Q25	+/-%YoY	Notes
Revenue	1,003	1,383	38%	Sales volume surged 47% YoY.
Gross profit	425	590	39%	
<i>Gross profit margin</i>	<i>42.4%</i>	<i>42.7%</i>	<i>29bps</i>	BMP increased sales discounts for dealers, and PVC resin prices went down 23% YoY in the quarter.
Financial income	19	21	11%	
Financial expenses	-28	-40	41%	Payment discounts spiked 44% YoY.
Shared profits from affiliates	0	0		
SG&A	-179	-214	20%	Distribution system costs rose 26% YoY.
Operating income/loss	237	357	51%	
Other income	1	1	56%	
Profit before taxes (PBT)	237	359	51%	
Net profit after taxes (NPAT)	190	287	51%	The result is equal to 27% of the full-year objective.
NPAT-MI	190	287	51%	
<i>NPAT margin</i>	<i>18.9%</i>	<i>20.7%</i>	<i>181bps</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

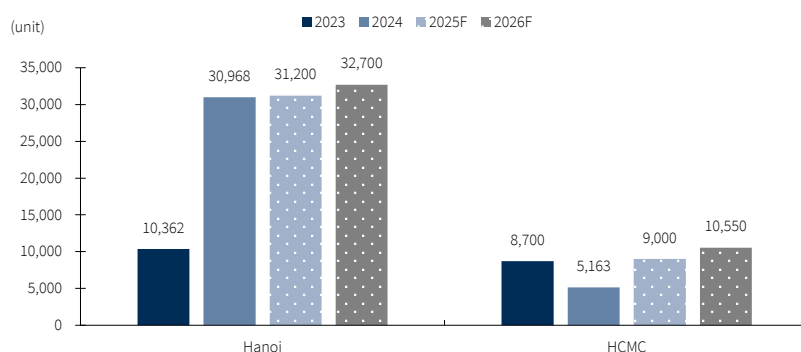
Real estate and construction market has been positively recovering, BMP needs to maintain deeper discount policies to regain market share

Since the beginning of the year, the land and construction market has been giving positive signs of recovery (*Please find more details in the [Residential real estate sector report](#)*), which is in line with KBSV's expectations. After having discussions with some businesses in the industry, we expect construction activities and property supply to bounce back more strongly in 2026–2027, bolstering plastic pipe consumption demand in the medium term.

In 1Q25, we believe the consumption output of the plastic pipe market may reach more than 85,000 tons (+30% YoY), and BMP's market share in the period will be more than 27% thanks to more discounts for agents after Tet. The impressive growth in the first three months of the year is the basis for us to raise our forecast for the industry's consumption growth in 2025 to 15% (compared to the previous forecast 6%), reflecting the expectation of a strong improvement in demand with construction activities entering a new growth cycle. In addition, we expect the proposal to shorten construction permit procedures for construction works, residential houses and projects with 1/500 planning to be approved soon, thereby pushing the consumption of construction materials, including plastic pipes for housing projects in the medium term. KBSV estimates BMP's sales output at 90,300/97,500 tons in 2025/2026F (+17%/8% YoY).

According to CBRE, the apartment supply in Hanoi and HCMC may increase 74%/17% YoY in 2025–2026

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



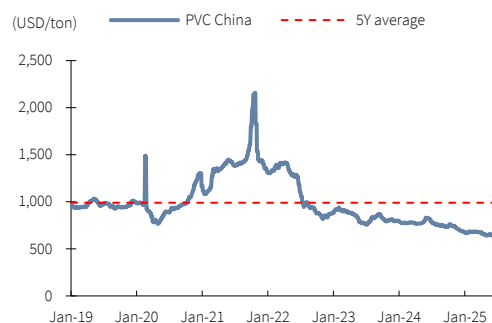
Source: CBRE, KB Securities Vietnam

PVC resin prices should continue to remain low, benefiting BMP's GPM in 2025–2026

PVC prices in China and Southeast Asia were recorded at USD643/700/ton (–23%/14% YoY) in the context of sagging demand in China under the impact of (1) the gloomy real estate market and (2) trade war-hit export outlook. The Caixin PMI has marked its second straight month of decline (48.3x in May), implying insignificant order volume and the risk of narrowing production activities in the coming time.

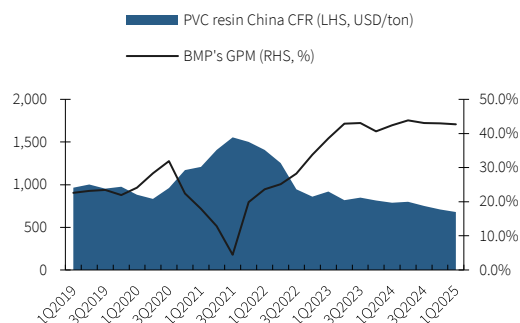
We raise our forecast for BMP's GPM to 42%/41% in 2025/2026F (vs 41%/39% in the previous report) as PVC resin prices are poised to be low until the end of June 2026.

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, 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 yields should remain high

KBSV maintains its assumption of BMP's dividend payout ratio reaching 97% in 2025–2027 and estimates the cash dividend yield to average 9.5%.

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

	2025F	2026F	2027F
EPS	13,539	13,878	13,194
Cash dividend payout ratio	97%	97%	97%
DPS	13,100	13,400	12,700
Outstanding cash dividend	13,100	13,400	12,700
Cash dividend yield	9.5%	9.7%	9.2%

Source: KB Securities Vietnam

Forecast & valuation

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

(VNDbn, %)	2024A	2025F	+/-%YoY	2026F	+/-%YoY	Assumptions
Revenue	4,616	5,388	17%	5,948	10%	Sales volume increases by 17%/8% in 2025/2026F.
Gross profit	1,989	2,286	15%	2,438	7%	
<i>Gross profit margin</i>	<i>43.1%</i>	<i>42.4%</i>	<i>-67bps</i>	<i>41.0%</i>	<i>-142bps</i>	GPM declines due to (1) BMP increasing discounts for dealers and (2) PVC resin prices gradually rising again.
Interest income	78	98	26%	112	14%	
Interest expenses	0	0		0		
FX gains/losses, payment discounts	-144	-181	26%	-208	15%	BMP raises payment discounts to stimulate sales.
Shared profits from affiliates	0	0	-	0		
SG&A	-676	-815	21%	-922	13%	BMP increases sales support programs.
Operating income/loss	1,229	1,384	13%	1,420	3%	
Other income	12	1	-90%	0		
Profit before taxes (PBT)	1,241	1,600	29%	1,420	-11%	
Net profit after taxes (NPAT)	991	1,108	12%	1,136	3%	
NPAT-MI	991	1,108	12%	1,136	3%	
<i>NPAT margin</i>	<i>21.5%</i>	<i>20.6%</i>	<i>-89bps</i>	<i>19.1%</i>	<i>-147bps</i>	

Source: Binh Minh Plastics, KB Securities Vietnam

**KBSV holds a NEUTRAL stance
towards BMP with a price target of
VND145,900/share**

BMP's share price has fallen 4% in the past month, partly reflecting expectations of improved business results in 2025 thanks to (1) recovering consumption demand and (2) low input material costs (PVC resins). With an estimated average cash dividend yield of 9.5%/year in 2025–2027 (higher than savings interest rates) and stable core business, BMP deserves a fair value at VND145,900/share.

The main risk in our valuation model comes from the recovery of input material prices (PVC resin and/or oil prices), which may occur earlier than our forecast.

Table 9. BMP – Model assumptions

Assumptions	Value
Beta	0.73
Risk-free rate	4.7%
Market risk premium (MPR)	8.4%
Average interest rate	5.0%
WACC	10.7%

Fig 10. BMP – DCF model (VNDbn)

(VNDbn)	2025F	2026F	2027F	2028F
NPAT-MI	1,108	1,136	1,080	1,077
Depreciation expenses	122	139	157	177
Change in working capital	-118	-68	-28	-31
CAPEX	-121	-150	-162	-174
FCF	992	1,057	1,047	1,048

Source: KB Securities Vietnam

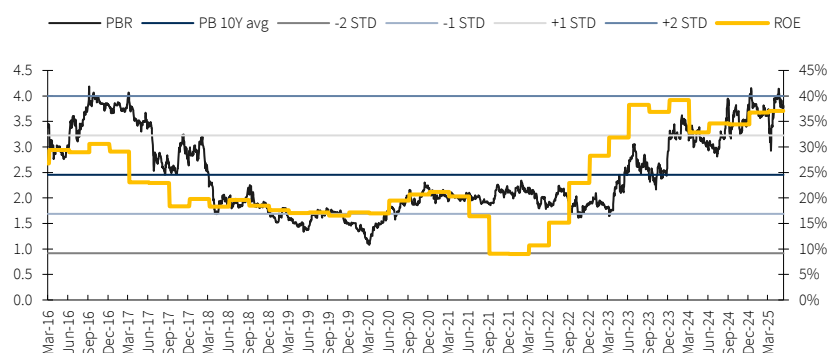
Table 11. BMP – FCFF valuation

(VNDbn)	2025F	2026F	2027F	2028F
FCF	992	1,057	1,047	1,048
Terminal growth				1%
Terminal value				10,931
Present value of FCF	936	901	807	7,605
Enterprise value (EV)	10,249			
Cash & equivalents	1,753			
Net debt	-55			
Owner's equity	11,946			
Number of shares outstanding	82			
Fair value	145,900			

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	5,220	5,673
Cost of sales	-3,041	-2,627	-3,073	-3,461
Gross Profit	2,116	1,989	2,147	2,212
Financial income	117	117	99	113
Financial expenses	-144	-144	-183	-199
of which: interest expenses	0	0	0	0
Gain/(loss) from joint ventures (from 2015)	-2	0	0	0
Selling expenses	-676	-556	-687	-747
General and admin expenses	-107	-120	-148	-161
Operating profit/(loss)	1,304	1,229	1,227	1,219
Other incomes	6	12	0	0
Other expenses	-3	0	0	0
Net other income/(expenses)	3	12	0	0
Income from investments in other entities	0	0	0	0
Net accounting profit/(loss) before tax	1,307	1,241	1,227	1,219
Corporate income tax expenses	-266	-250	-245	-244
Net profit/(loss) after tax	1,041	991	982	975
Minority interests	0	0	0	0
Attributable to parent company	1,041	991	982	975

Margin ratio	2023	2024	2025F	2026F
Gross profit margin	41.0%	43.1%	41.1%	39.0%
EBITDA margin	31.4%	32.2%	29.4%	27.4%
EBIT margin	28.1%	29.7%	27.0%	25.0%
Pre-tax profit margin	25.3%	26.9%	23.5%	21.5%
Operating profit margin	25.3%	26.6%	23.5%	21.5%
Net profit margin	20.2%	21.5%	18.8%	17.2%

Cash Flow Statement (VND billion)	2023	2024	2025F	2026F
Net profit/(loss) before tax	1,307	1,241	1,227	1,219
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	1,350	1,357
(Increase)/decrease in receivables	107	6	-20	-35
(Increase)/decrease in inventories	229	-92	-97	-51
Increase/(decrease) in payables	138	-57	18	14
(Increase)/decrease in prepaid expenses	60	34	0	0
Operating cash flow	1,603	889	1,019	1,072
Purchases of fixed assets and other long term assets	-58	-98	-132	-143
Proceeds from disposal of fixed assets	3	1	0	0
Loans granted, purchases of debt instruments	-1,660	-1,130	0	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	-132	-143
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	-3
Finance lease principal payments	0	0	0	0
Dividends paid	-966	-969	-950	-941
Interests, dividends, profits received	0	0	0	0
Financing cash flow	-966	-970	-953	-944
Net increase in cash and cash equivalents	463	-317	-66	-16
Cash and cash equivalents - beginning	359	821	504	438
Cash and cash equivalents - ending	821	504	438	422

Source: Binh Minh Plastics, KB Securities Vietnam

Balance Sheet (VND billion) (Standard report)	2023	2024	2025F	2026F
TOTAL ASSET	3,255	3,200	3,262	3,337
CURRENT ASSETS	2,594	2,596	2,647	2,718
Cash and cash equivalents	821	504	438	422
Short-term investments	1,190	1,410	1,410	1,410
Accounts receivable	174	178	198	233
Inventories	364	464	561	612
LONG-TERM ASSETS	661	604	614	620
Long-term trade receivables	20	20	20	20
Fixed assets	286	265	275	280
Long-term incomplete assets	12	20	20	20
Long-term investments	64	64	64	64
Good will (before 2015)	0	0	0	0
LIABILITIES	565	499	528	569
Current liabilities	546	481	510	551
Trade accounts payable	154	172	190	204
Short-term borrowings	55	55	51	48
Other short-term liabilities	337	254	268	299
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	2,734	2,768
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	712	745
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	10.0	10.0
P/E diluted	8.2	10.8	10.0	10.0
P/B	3.2	4.0	3.6	3.5
P/S	0.0	0.0	0.0	0.0
P/Tangible Book	30.5	41.5	36.3	35.6
P/Cash Flow	5.3	12.1	9.6	9.1
EV/EBITDA	5.2	7.2	6.6	6.5
EV/EBIT	5.8	7.8	7.2	7.2
Operating performance				
ROE	39%	0.37	0.36	0.35
ROA	0.33	0.31	0.30	0.30
ROIC	0.38	0.36	0.35	0.35
Financial structure				
Cash Ratio	1.5	1.0	0.9	0.8
Quick Ratio	4.0	4.3	4.0	3.7
Current Ratio	4.7	5.4	5.2	4.9
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	0.2
Total Liabilities/Equity	0.2	0.2	0.2	0.2
Total Liabilities/Total Assets	0.2	0.1	0.1	0.2
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	18.8	16.9	17.5

KB SECURITIES VIETNAM RESEARCH

Research Division

research@kbsec.com.vn

Nguyen Xuan Binh – Head of research

binhnx@kbsec.com.vn

Financials

Nguyen Anh Tung – Manager

tungna@kbsec.com.vn

Pham Phuong Linh – Analyst

linhpp@kbsec.com.vn

Consumer

Nguyen Duc Quan – Analyst

quannd@kbsec.com.vn

Nguyen Hoang Duy Anh – Analyst

anhnhd@kbsec.com.vn

Real Estate

Pham Hoang Bao Nga – Manager

ngaphb@kbsec.com.vn

Nguyen Thi Trang – Analyst

trangnt6@kbsec.com.vn

Industrials & Materials

Nguyen Duong Nguyen – Senior analyst

nguyennd1@kbsec.com.vn

Nguyen Thi Ngoc Anh – Analyst

anhntn@kbsec.com.vn

Macro & Strategy

Tran Duc Anh – Head of macro & strategy

anhtd@kbsec.com.vn

Nghiem Sy Tien – Analyst

tienns@kbsec.com.vn

Nguyen Dinh Thuan – Analyst

thuannd@kbsec.com.vn

Energy, Utilities & IT

Nguyen Viet Anh – Analyst

anhnv3@kbsec.com.vn

Support Team

Nguyen Cam Tho – Assistant

thonc@kbsec.com.vn

Nguyen Thi Huong – Assistant

huongnt3@kbsec.com.vn

KB SECURITIES VIETNAM (KBSV)

Head Office:

Levels 16&17, Tower 2, Capital Place, 29 Lieu Giai Street, Ba Dinh District, Hanoi, Vietnam

Tel: (+84) 24 7303 5333 – Fax: (+84) 24 3776 5928

Hanoi Branch:

Level 1, Office Building, 5 Dien Bien Phu Street, Ba Dinh District, Hanoi, Vietnam

Tel: (+84) 24 7305 3335 – Fax: (+84) 24 3822 3131

Ho Chi Minh Branch:

Level 21, Vietinbank Tower, 93-95 Ham Nghi Street, District 1, HCMC, Vietnam

Tel: (+84) 28 7303 5333 – Fax: (+84) 28 3914 1969

Saigon Branch:

Level 1, Saigon Trade Center, 37 Ton Duc Thang Street, District 1, HCMC, Vietnam

Tel: (+84) 28 7306 3338 – Fax: (+84) 28 3910 1611

CONTACT INFORMATION

Hotline: 1900 1711

Email: info@kbsec.com.vn

Website: www.kbsec.com.vn

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

Opinions in this report reflect the professional judgment of the research analyst(s) as of the date hereof and are based on information and data obtained from sources that KBSV considers reliable. KBSV makes no representation that the information and data are accurate or complete and the views presented in this report are subject to change without prior notification. Clients should independently consider their own circumstances and objectives and are solely responsible for their investment decisions. We shall not have liability for investments or results thereof. These materials are the copyright of KBSV and may not be reproduced, redistributed or modified without the prior written consent of KBSV. Comments and views in this report are of a general nature and intended for reference only, not authorized to use for any other purposes.