Shinhan Securities



Binh Minh Plastics JSC

[Việt Nam / Industry]

Bloomberg Code (BMP VN) | Reuters Code (BMP.HM)

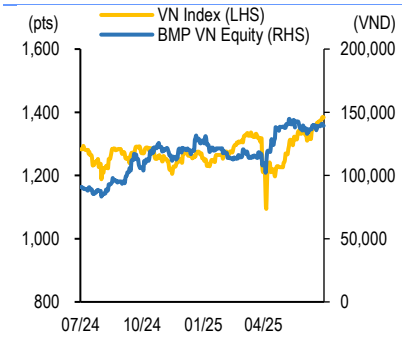
HOLD

Initial report

Target price (12 months)	**153,900 VND**
Current price (14/07/2025)	144,000 VND
Return (%)	7.0%

VNINDEX	1,470
P/E market (23F, x)	12.1
Market Cap (bn VND)	11,788
Outstanding shares (mn)	82
Free-Floating (mn)	36
Free-Floating rate (%)	43.8
52-Week High/Low (VND)	153,500/90,100
90-day avg. trading value (mn)	0.24
90-day avg. turnover (bn VND)	32
Beta (12M)	1.0
Major shareholders (%) Nawaplastic Industries Co., Ltd	54.99
Major shareholders (%) KWE Beteiligungen AG	11.02

Performance	3M	6M	12M
Absolute (%)	15.4	16.1	47.7
Relative to VN-Index (%)	-3.1	-3.5	32.9



Source: Bloomberg

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Safe bunker

Initiating coverage with a HOLD recommendation, target price of VND 153,900

Binh Minh Plastic JSC (HSX: BMP) is Vietnam's second-largest construction plastic producer and the market leader in the South. A member of Thailand's SCG Group since 2018, BMP operates 4 plants in HCMC, Binh Duong, Long An, and Hung Yen with a total capacity of 150,000 tons/year. We initiate coverage with a HOLD rating and a target price of VND 153,900, offering a 7.0% return (excluding cash dividend yield), based on: (1) Strong volume growth in 2025, driven by housing recovery (esp. in the South) and infrastructure spending; (2) High gross margin from lower input costs; (3) A "golden goose" with generous cash dividend payouts.

Surge in output expected in 2025 driven by real estate recovery and public investment

We expect BMP's plastic pipe sales volume to rebound significantly in 2025, potentially reaching 85,105 tons (+9.0% YoY), supported by: (1) A recovery in construction activity, driven by a resurgence in the residential real estate market—particularly in southern Vietnam; (2) Acceleration of major infrastructure projects, including Long Thanh International Airport, Ring Road 3, and the North–South Expressway. In addition, enhanced discount policies may further stimulate BMP's volume growth in 2025.

Gross margin to remain high in 2025 thanks to falling PVC resin prices.

(1) Input PVC resin prices dropped sharply by 20% YoY in May 2025; (2) Brent crude oil prices—a key raw material in PVC resin production—fell to USD 75/barrel (-15% YoY) in Q1/2025 and are projected to hover around USD 80/barrel throughout the year, reinforcing the downward trend in resin costs; (3) BMP's listed selling prices have seen milder adjustments (after accounting for commercial and payment discounts), thanks to its loyal customer base and strong distribution network in southern Vietnam. As a result, BMP's gross margin is projected to remain elevated, reaching 44% in 2025 (+0.9ppt YoY).

A "golden goose" with generous cash dividend payouts

From 2019 to 2024, BMP maintained a high cash dividend policy, with a payout ratio above 95% of net profit and an average dividend yield over 7% annually. This is due to the company not having plans for expansion and its effective working capital management. As approved at the 2025 AGM, the company plans to sustain this policy. BMP also maintains a solid balance sheet with low debt and ample cash reserves.

Risks: (1) Risk of a slow recovery in the real estate market; (2) Risk of PVC resin prices rebounding sooner than expected; (3) Risk of oil price volatility; (4) Risk of intense competition from industry peers.

Year to Dec.	2023	2024	2025F	2026F	2027F
Revenue (bn VND)	**5,157**	**4,616**	**5,030**	**5,378**	**5,754**
OP (bn VND)	1,304	1,229	1,345	1,237	1,139
NP (bn VND)	**1,041**	**991**	**1,098**	**1,006**	**928**
EPS (VND)	12,717	12,103	13,414	12,286	11,332
BPS (VND)	32,857	33,004	33,211	33,336	33,389
OPM (%)	25.3	26.6	26.7	23.0	19.8
NPM (%)	20.2	21.5	21.8	18.7	16.1
ROE (%)	**38.7**	**36.7**	**40.4**	**36.9**	**33.9**
PER (x)	10.0	10.7	10.4	11.3	12.3
PBR (x)	3.9	3.9	4.2	4.2	4.2
EV/EBITDA (x)	6.4	7.2	7.6	8.3	9.4

Source: Company data, Shinhan Securities Vietnam

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Company Overview

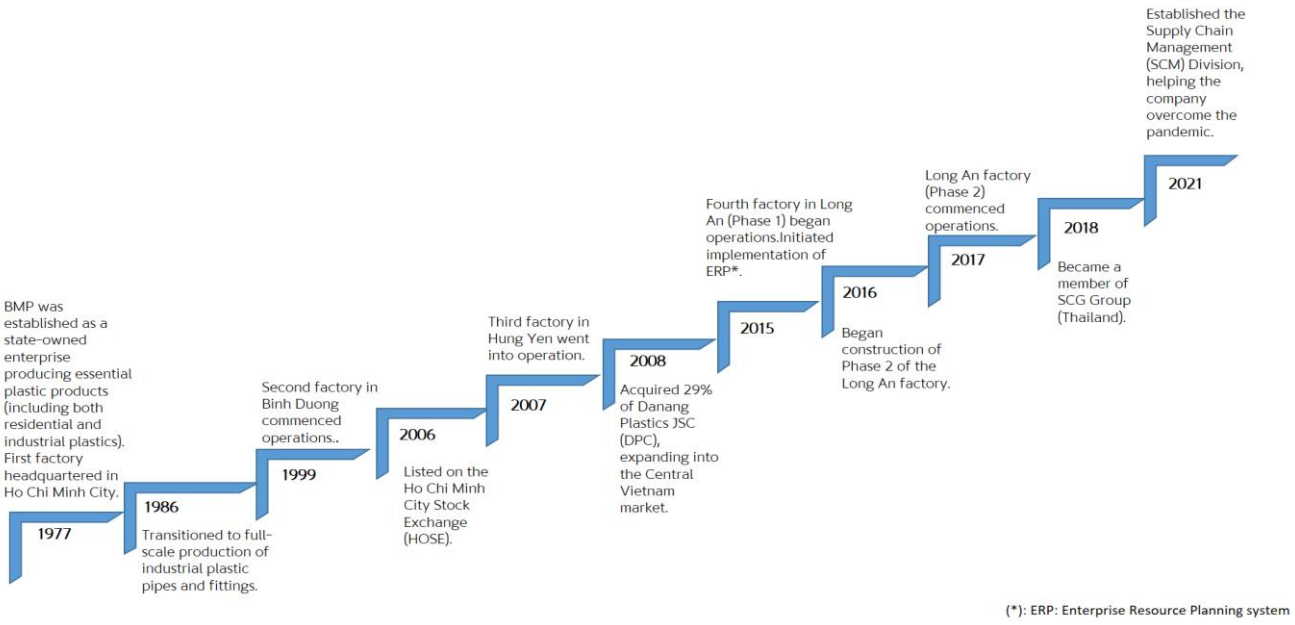
1. History of formation and development

Binh Minh Plastics Joint Stock Company (HOSE: BMP) was established on November 28, 1977, originally operating as Binh Minh Plastics Enterprise under the Ho Chi Minh City Department of Light Industry. Over more than 40 years of operation, the company has consistently expanded its production scale and improved product quality—particularly in the manufacturing of PVC, HDPE, and PPR pipes and fittings, serving the water supply, drainage, and construction sectors. Binh Minh Plastics' head office is located at 240 Hau Giang Street, Ward 9, District 6, Ho Chi Minh City.

In 2003, the company officially transitioned to a joint stock company, marking a major shift in its operating model. In 2006, BMP shares were listed on the Ho Chi Minh City Stock Exchange (HOSE) under the ticker symbol BMP. In 2018, SCG Group (Thailand)—one of Southeast Asia's largest industrial conglomerates—became a major shareholder, holding 54.4% of the company.

Currently, Binh Minh Plastics operates a network of four modern production plants with a **total annual capacity of 150,000 tons**, ensuring rapid and timely supply to meet customer demand. As of the end of 2024, the company had over 2,158 distributors and retail outlets nationwide, holding approximately 50% market share in Southern Vietnam and 23% nationwide, ranking second after NTP (32%).

Key milestones in BMP's formation and development



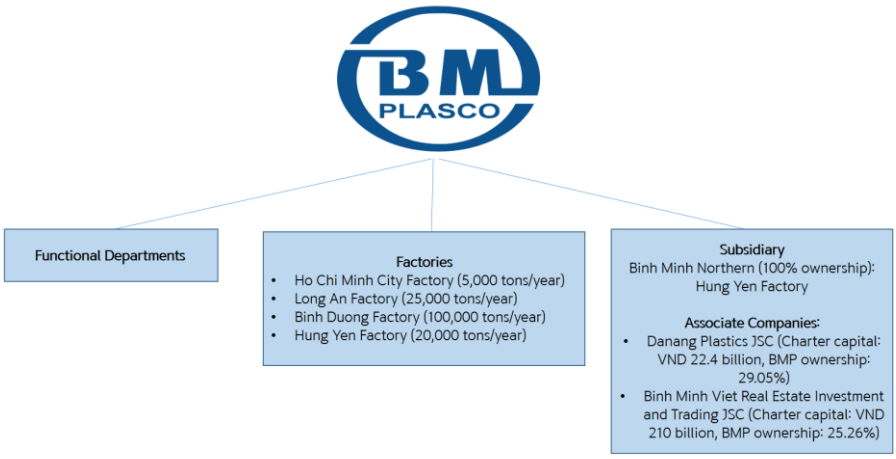
Source: Company data, Shinhan Securities Vietnam

2. Organizational structure

BMP currently holds 100% ownership of four plastic pipe manufacturing plants, including **three located in the South**—Binh Duong (100,000 tons/year), Long An (25,000 tons/year), and Ho Chi Minh City (5,000 tons/year)—and one in the North—Hung Yen (20,000 tons/year).

In addition, BMP holds equity interests in two associate companies: **(1)** Danang Plastic Joint Stock Company (HNX: DPC) with a 29.05% ownership stake; **(2)** Binh Minh Viet Real Estate Investment and Trading JSC with a 26% ownership stake.

Organizational structure of BMP

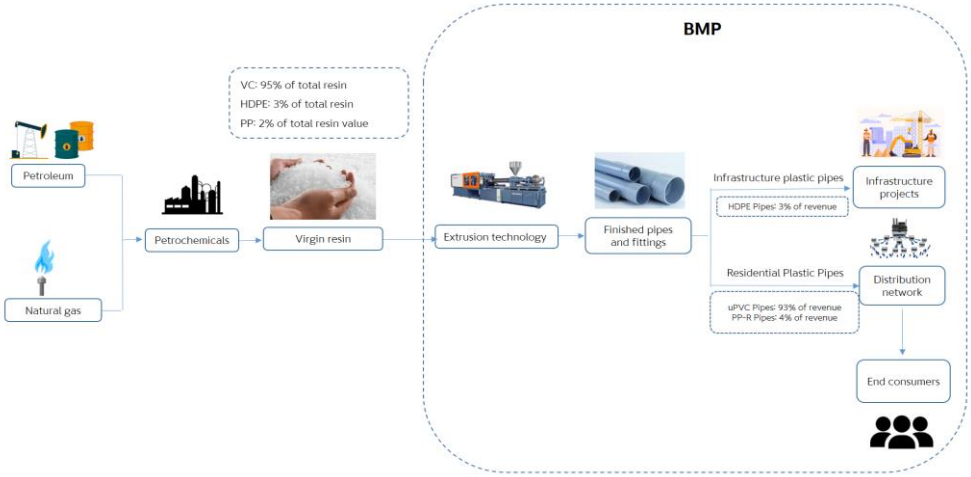


Source: Company data, Shinhan Securities Vietnam

3. Business model

3.1. BMP's value chain

BMP's value chain

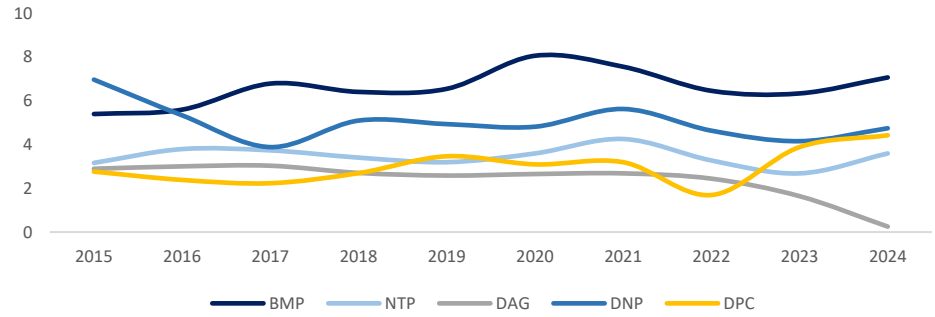


Source: Company data, Shinhan Securities Vietnam

BMP holds a significant advantage in domestic raw material sourcing

Input: BMP uses virgin plastic resins (PVC, HDPE, PPR) as raw materials, which account for 70%–80% of total production costs. Among them, PVC represents the largest share—95% of the total resin value, equivalent to 81% of the total raw material value**.** Notably, unlike most companies in the industry that rely heavily on imported plastic resins, BMP enjoys a **major advantage in domestic raw material supply**. This is due to its close relationship with TPC Vina (a subsidiary of SCG Thailand), which supplies up to 50% of BMP's total PVC input value. The remaining portion is imported from China. Thanks to access to a stable domestic PVC supply, BMP does not need to maintain large raw material inventories, unlike many of its peers. As a result, the company achieves the highest inventory turnover ratio among plastic construction product manufacturers.

Inventory turnover of construction plastics companies



Source: Fiinpro, Shinhan Securities Vietnam

Largest production scale in southern Vietnam, uPVC is the core product

BMP has the largest production scale in southern Vietnam, with 3 factories located in Long An, Binh Duong, and Ho Chi Minh City, totaling a designed capacity of 110,000 tons per year.

Công suất thiết kế ống nhựa của BMP và NTP, HSG

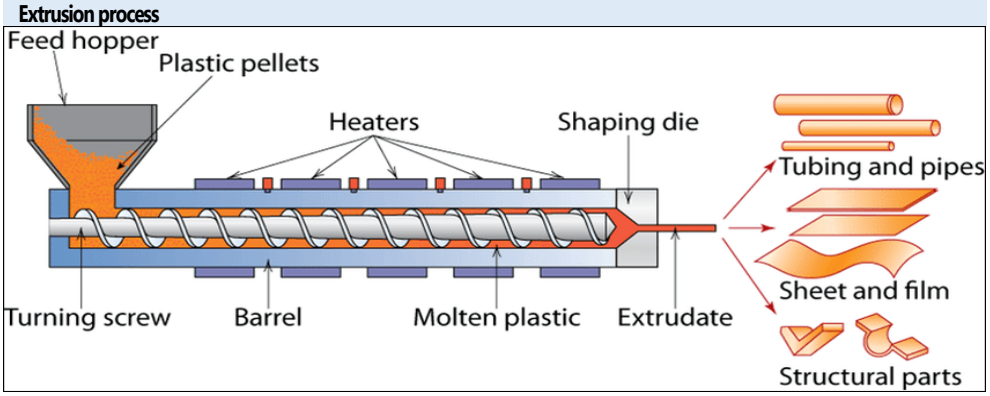
		BMP	NTP	HSG
Designed capacity		**150,000**	**190,000**	**129,600**
Plant location	North	40,000	110,000	19,800
	Central	-	20,000	12,000
	South	110,000	60,000	97,800

Source: Company data, Shinhan Securities Vietnam

Production: BMP employs extrusion technology for plastic pipes and injection molding for pipe fittings:

- **Extrusion:** Virgin plastic Resin is fed into the machine hopper, then passes through a screw and is heated to its melting point. the molten plastic is continuously pushed through a shaping mold to form the pipe. afterward, the pipe is cooled with water, cut to standard lengths, and printed with product information. This technology is suitable for the continuous production of cylindrical products such as uPVC and HDPE pipes.

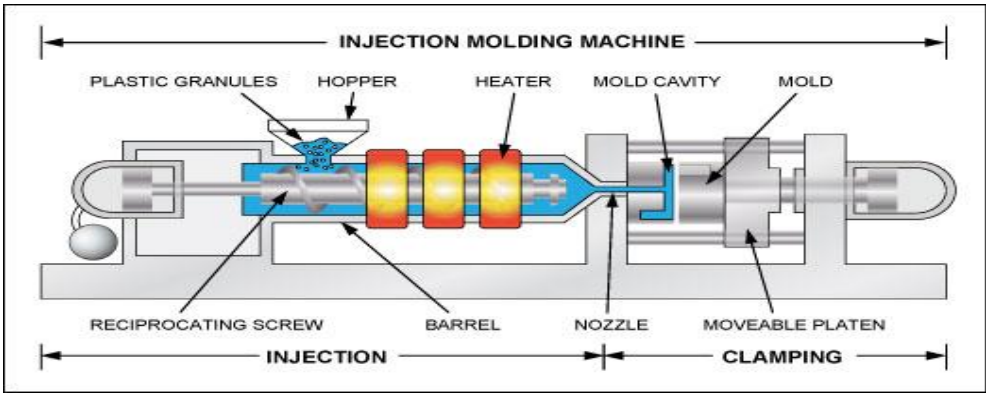
Extrusion process



Source: ACBM.org.br; Shinhan Securities Vietnam

- **Injection molding:** Plastic resin is melted and injected into a closed mold under high pressure. The material cools and solidifies inside the mold, which then opens to release the finished product such as elbows, tees, couplings, and valves. This process enables mass production of components with complex shapes and high dimensional accuracy.

Injection molding process

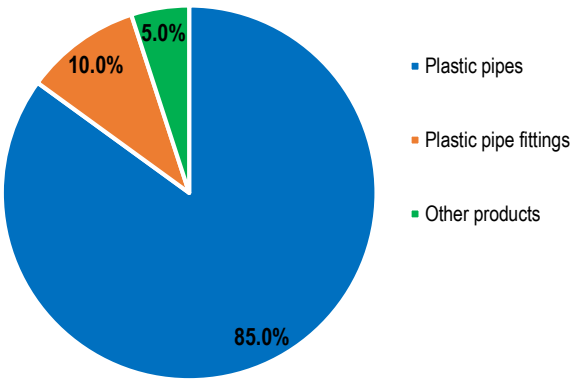


Source: visionplastic.net; Shinhan Securities Vietnam

Sales and Distribution: By the end of 2024, BMP operated a network of nearly 2,158 distributors and retail outlets nationwide, with a strategic focus on the Southern region, where BMP holds over 50% market share. In this area, BMP directly competes with HSG, which has a total designed capacity of 97,800 tons per year. Additionally, BMP has expanded into the Central region through its affiliate, Da Nang Plastic Joint Stock Company (DPC).

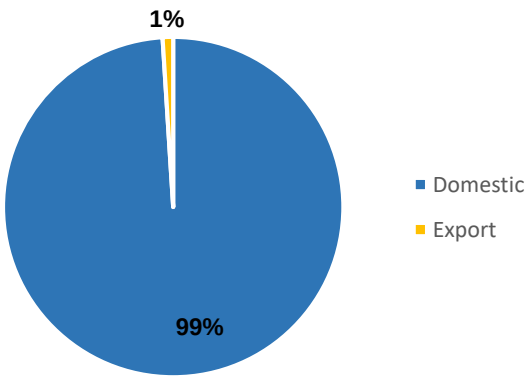
Revenue Structure: The revenue of Binh Minh Plastics Joint Stock Company (BMP) is primarily derived from various types of plastic pipes, accounting for approximately 85% of total revenue. Among these, **uPVC is the core product (contributing over 93% of pipe revenue),** widely used in residential water supply and drainage systems. HDPE pipes (5% of pipe revenue) serve high-pressure applications such as water distribution systems. Meanwhile, PPR pipes are suited for hot and cold water systems in both residential and industrial settings. Plastic pipe fittings—such as elbows, couplings, and tees—make up around 10% of BMP's total revenue. The remaining portion comes from other plastic products such as spray bottles and safety helmets. Currently, BMP does not have significant export activities and remains primarily focused on the domestic market.

Revenue contribution structure of BMP by product in 2024



Source: Company Data, Shinhan Securities Vietnam

Revenue Contribution Structure of BMP by market in 2024



Source: Company Data, Shinhan Securities Vietnam

BMP is the most profitable producer in the sector despite an ongoing price war

a) The construction plastics industry faces an oversupply situation

Vietnam's plastics industry has sustained a stable double-digit growth rate for over a decade, driven by strong domestic consumption and the global supply chain shift. The industry is broadly divided into four main segments: **packaging plastics, household plastics, construction plastics, and high-tech plastics**, with the domestic market accounting for a dominant share of overall consumption.

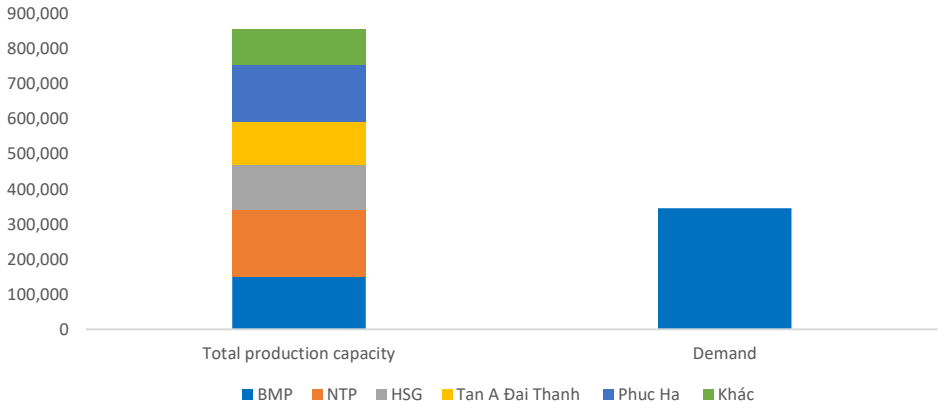
Key plastic product segments in Vietnam

Product segment	Proportion	Technology	Main raw materials	Main products	End custome	Listed Company
Packaging plastics	39%	Blow molding	PE, PP, PET	Plastic films, plastic bags	Food processing, garments, retail chains	AAA, TDP, DHC
Household plastics	32%	Extrusion molding	PP, PS, ABS	Household plastic products	Consumers	DAG, PCH
Construction plastics	14%	Extrusion molding	PVC, HDPE, PP	Pipes, construction plastic products	Construction firms, real estate, end users	BMP, NTP, HSG
High-tech plastics	9%	Injection molding	PVC, PP	Spare parts	Electronics, electricity, automotive, motorbike industries	NHH, APH

Source: Shinhan Securities Vietnam

The construction plastics segment—BMP's core business—reached its peak consumption in 2020. However, following the COVID-19 pandemic, demand declined sharply due to a slowdown in construction activities and elevated interest rates, which placed significant pressure on the real estate market. We assess that the **construction plastics industry is highly fragmented, with numerous small-scale producers, and is currently experiencing an oversupply of up to 65%.** Due to the bulky nature of the products and the high cost of long-distance transport, consumption volumes are primarily concentrated near production facilities. Despite these challenges, construction plastics remain one of the most profitable segments in the plastics industry, with an average **gross profit margin of approximately 25%** and an **EBITDA margin of around 20%**. This provides room for producers to engage in price competition while still maintaining operational efficiency.

Estimated total production capacity and demand for construction plastics in Vietnam – 3-year average (tons)

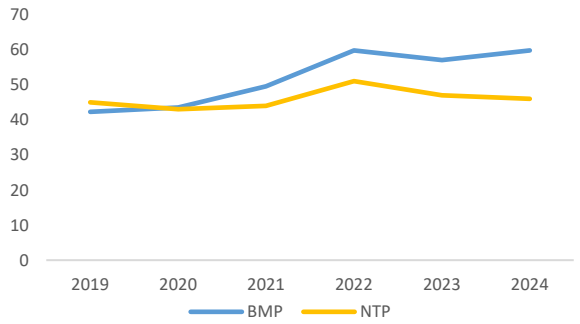


Source: VPAS, Shinhan Securities Vietnam

b) Sales discounts are now the key competitive tool among plastic pipe makers

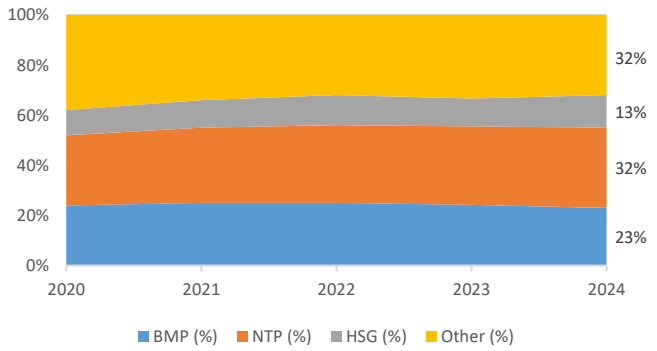
In 2023–2024, Vietnam's construction plastics industry faced prolonged weak demand from a sluggish real estate recovery and fierce competition amid oversupply. **Most firms increased discounts and payment support to retain distributors and protect market share.** However, BMP maintained higher prices than rivals, resulting in market share loss, while HSG—its Southern competitor—gained 2.5 percentage points in 2024.

Comparison of average selling prices of BMP and NTP (million VND/ton)



Source: Company Data, Shinhan Securities Vietnam

Market share of BMP, NTP, and HSG



Source: Company Data, Shinhan Securities Vietnam

c) BMP is the most profitable manufacturer in the industry despite the ongoing price war

Sales discounts by plastic pipe makers are recorded differently across financial statements, making revenue and gross margin figures non-comparable. **Operating profit margin offers a more meaningful basis for profitability comparison.**

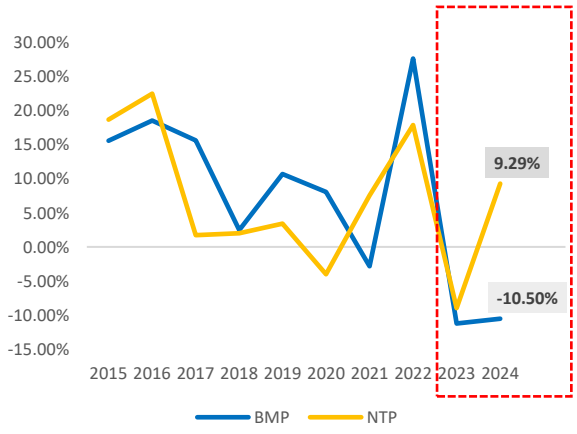
Differences in the recognition of discount policies between BMP and NTP

Type of discount	Application method	Recognition by BMP	Recognition by NTP	Impact
Basic discount	Applied to the entire distribution system; discount rates vary by product type.	Deducted directly from the selling price before revenue recognition.	Recorded as selling expenses, not deducted from revenue.	• NTP's net revenue is recorded higher than BMP's. • NTP's selling expenses (including all discount-related costs) are higher than BMP's. → Comparing operating profit margins between the two companies is more meaningful for evaluating profitability.
Trade discount	Applied depending on the order volume and the sales performance of each distributor.	Recorded as selling expenses.	Recorded as selling expenses.	
Payment discount	Applied based on the payment terms of each order.	Recorded as financial expenses.	Recorded as selling expenses.	
Other (e.g., transportation discount, bidding discount, etc.)	Supports 2% transportation costs based on the announced price for distributors that handle shipping. For certain bidding or project cases, companies apply flexible discount policies to enhance competitiveness.	Deducted directly from the selling price before revenue recognition.	Recorded as selling expenses	

Source: BMP, NTP, Shinhan Securities Vietnam

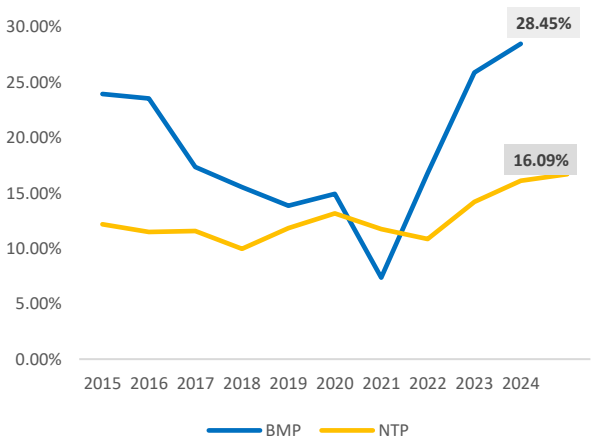
Although the market faces intense price competition, BMP remains committed to high pricing, leveraging product quality and strong brand recognition. Management believes this strategy has preserved the industry's highest profit margins. However, it also means BMP accepts slower revenue growth and market share, both showing signs of stagnation versus peers in recent years.

Revenue growth of BMP and NTP (% YoY)



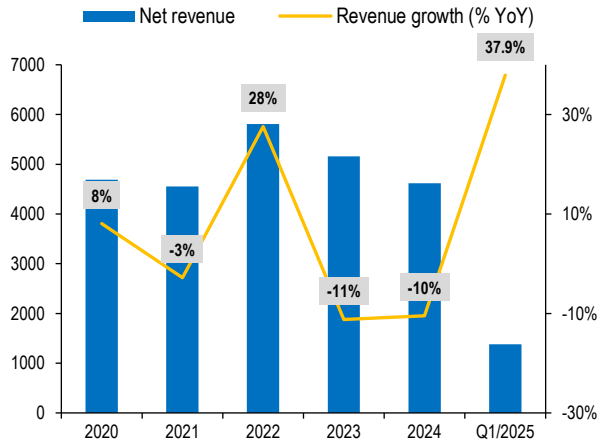
Source: Company Data, Shinhan Securities Vietnam

Operating profit margin of BMP and NTP



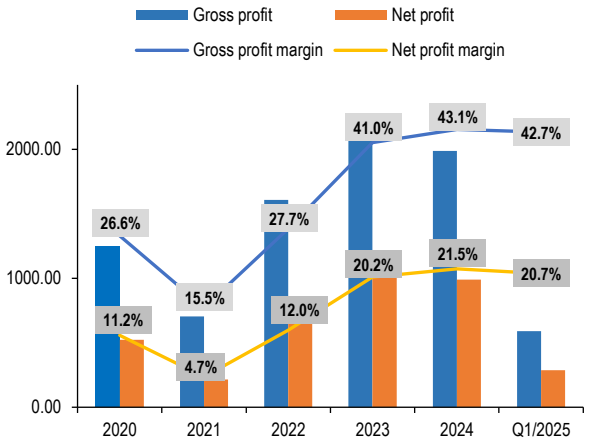
Source: Company Data, Shinhan Securities Vietnam

Net revenue of BMP (VND billion)



Source: Company Data, Shinhan Securities Vietnam

Gross profit and net profit of BMP (VND billion)

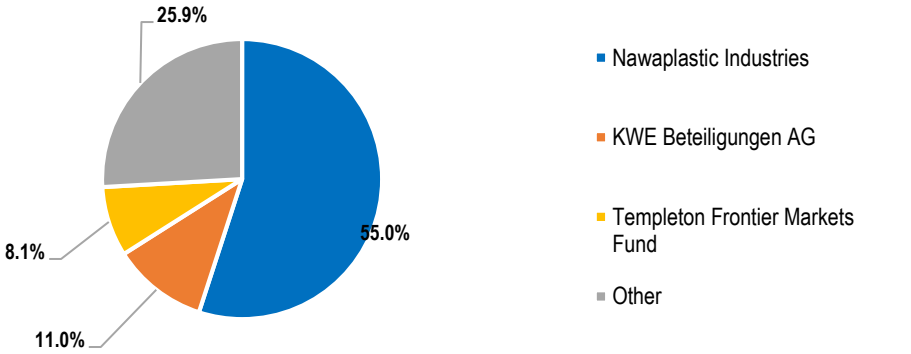


Source: Company Data, Shinhan Securities Vietnam

4. Shareholders structure

As of the current date, the shareholding structure of Binh Minh Plastics Joint Stock Company (BMP) reflects a clear dominance by a foreign strategic investor. The largest shareholder is **The Nawaplastic Industries (Saraburi) Co., Ltd—a subsidiary of SCG Group (Thailand)**—which holds **54.99%** of the company's charter capital. Since acquiring shares from SCIC in 2018, this entity has played a key role in shaping BMP's long-term strategic direction. The remaining 45.01% is held by institutional and individual investors, both domestic and foreign. SCG's presence has enabled BMP to gain access to advanced technology, enhance its management capabilities, and strengthen its market expansion efforts—both domestically and with potential for future exports.

Shareholding structure of BMP (as of December 31, 2024)



Source: Company Data, Shinhan Securities Vietnam

Investment thesis

1. Production surge expected in 2025

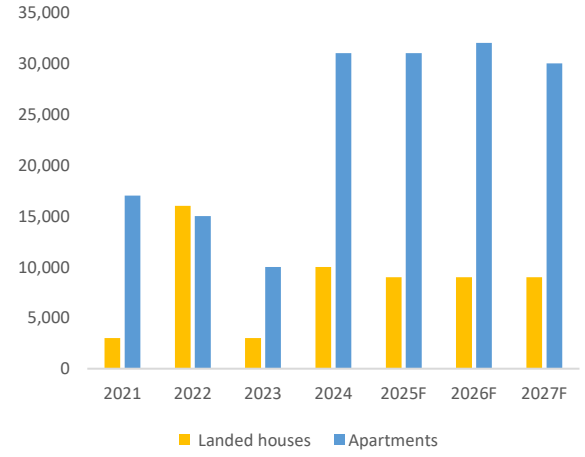
1.1 "A turning point" in the residential real estate market to boost uPVC volume

The Southern market contributes up to 95% of BMP's total consumption volume. As such, real estate movements in this region are closely correlated with BMP's annual sales volume.

In Q1/2025, new apartment supply in Ho Chi Minh City dropped sharply to only 305 units (-30% YoY), while Hanoi maintained a high level of new supply with 3,920 units (+68% YoY). Nevertheless, we expect the Southern real estate market—where BMP holds a dominant position—to rebound in the second half of 2025, driven by a wave of new project launches from major developers such as VHM, NLG, DXG,…

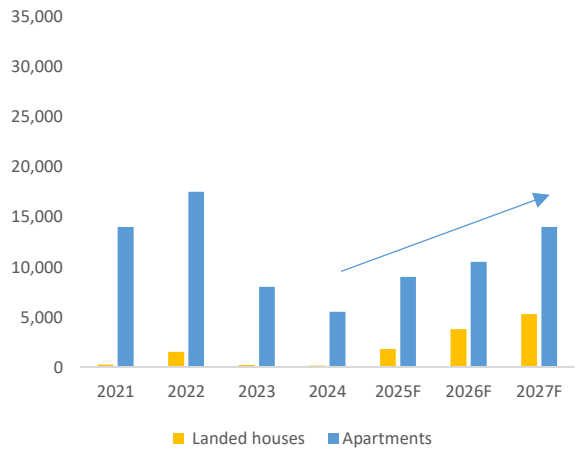
According to CBRE, new apartment supply in Ho Chi Minh City is expected to rise to 8,000–9,000 units in 2025 and 11,000 units in 2026, driven by: (1) improving real housing demand and the return of investment capital flows; (2) amendments to the Law on Real Estate Business and the Land Law, which are expected to shorten land clearance and legal approval processes for developers; and (3) a low interest rate environment for medium- and long-term loans (7.75% per year as of April 2025), along with government-led credit stimulus to support both project financing and homebuyer lending.

Newly launched units in Hanoi (units)



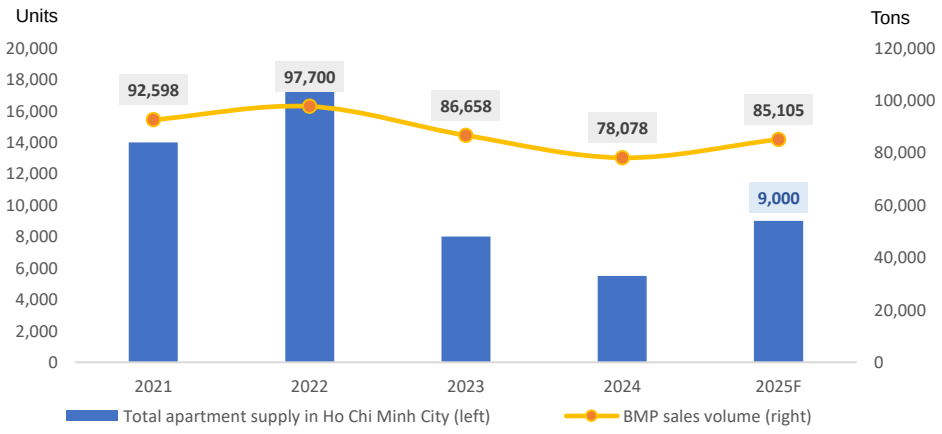
Source: CBRE, Shinhan Securities Vietnam

Newly launched units in Ho Chi Min



Source: CBRE, Shinhan Securities Vietnam

Apartment supply in Ho Chi Minh City is correlated with BMP's sales volume



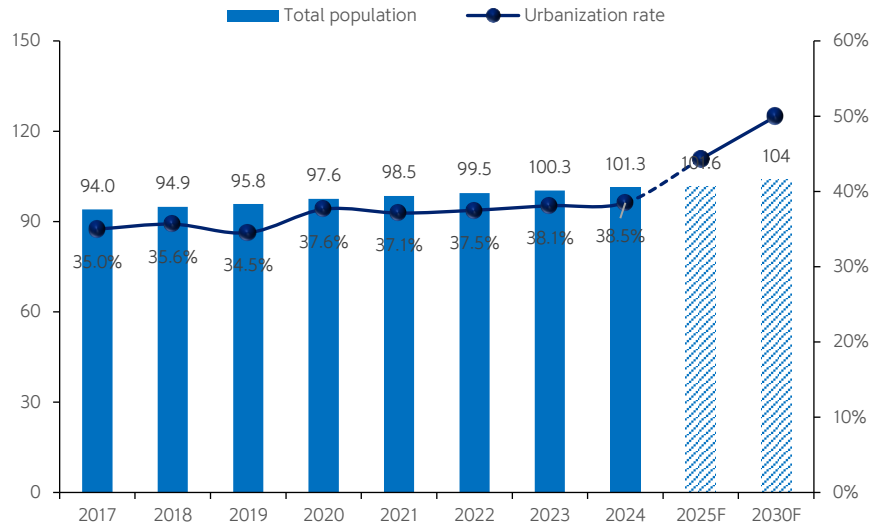
Source: CBRE, BMP, Shinhan Securities Vietnam

A comparison between apartment supply in the primary market of Ho Chi Minh City and BMP's total sales

volume reveals a strong correlation. During the real estate downturn in 2023–2024, BMP's sales volume posted negative growth. We expect the primary apartment supply in Ho Chi Minh City to recover in 2025, reaching around 9,000 units, which could drive BMP's sales volume to 85,105 tons (+9% YoY).

In the long term, the residential construction segment (including housing, hotels, office buildings, shopping centers, etc.) in Vietnam is supported by two key factors: **(1)** a young population and **(2)** high urbanization potential. By the end of 2024, Vietnam's urbanization rate reached 44.3%, exceeding the National Assembly's target of 43.7%. Under Resolution 06-NQ/TW, Vietnam aims to raise the urbanization rate to above 50% during 2025–2030. This will fuel construction activity in the long run and support rising demand for building materials—including plastic pipes.

Total population and urbanization rate of Vietnam

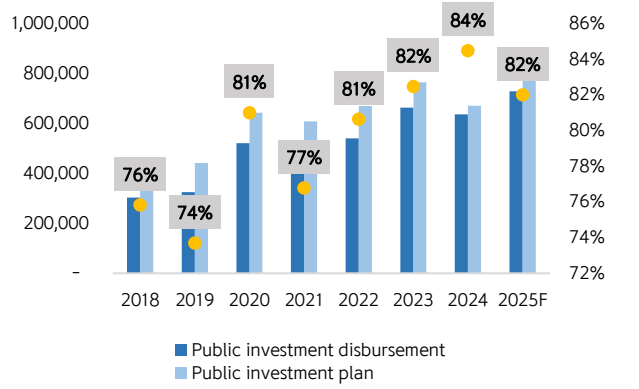


Source: GSO, Shinhan Securities Vietnam

1.2 Government push for key infrastructure projects to drive HDPE volume growth

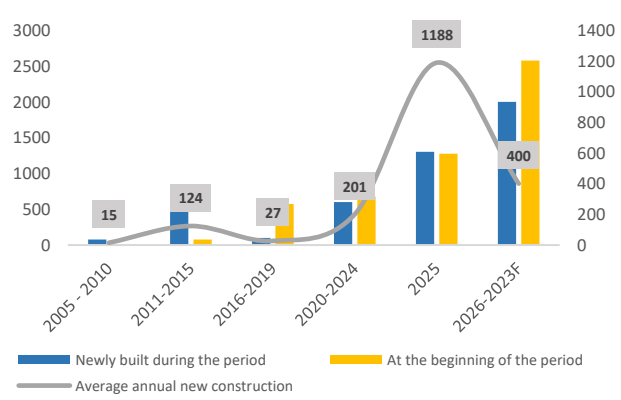
The government targets full disbursement of the 2025 public investment budget, reaffirming it as a key growth driver to achieve 8% GDP. The planned disbursement is VND 875 trillion, up 38% YoY, as major projects near completion, including Long Thanh Airport (Phase 1) and the North–South Expressway. Irrigation and water systems in cities like Ho Chi Minh City, Bien Hoa, and Binh Duong are also prioritized. **This infrastructure push is expected to boost demand for HDPE pipes, valued for their corrosion resistance and high-pressure tolerance.**

Public investment disbursement from 2018 to 2025F (VND billion)



Source: Ministry of Construction, Shinhan Securities Vietnam

Expressway network in Vietnam (km)



Source: Ministry of Construction, Shinhan Securities Vietnam

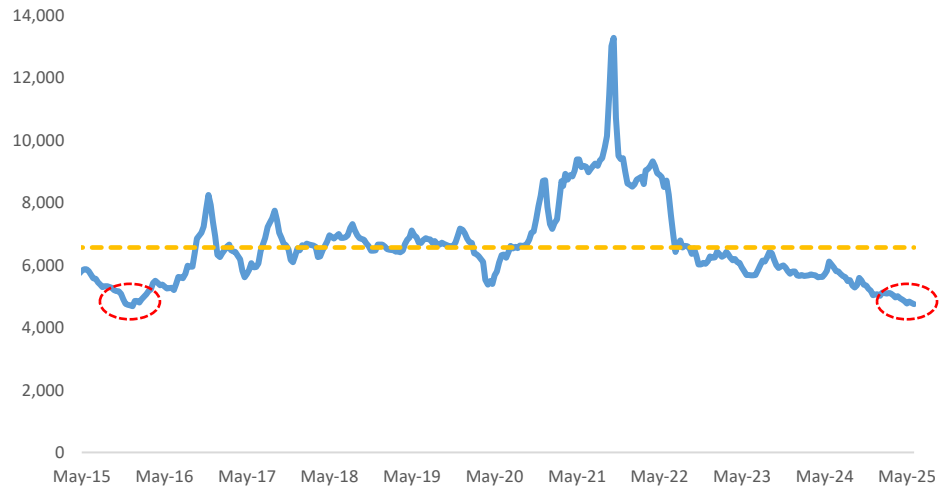
In addition, HDPE pipes are used in water supply and drainage systems, as well as for protecting electrical and telecommunication cables in expressway projects. According to the Ministry of Transport, approximately 1,188 km of expressways are expected to be completed in 2025—ten times the length constructed in 2024. We believe BMP's HDPE pipe volume will benefit from the government's accelerated expressway development, particularly from key infrastructure projects in the Southern region.

2. Profit margin improves thanks to lower input costs

Input PVC resin prices decline…

PVC prices in China and Southeast Asia dropped to USD 648/ton (-20% YoY) in May 2025 — the lowest level in eight years, matching the 2016 bottom during China's real estate crisis.

PVC Resin Price (USD/ton)

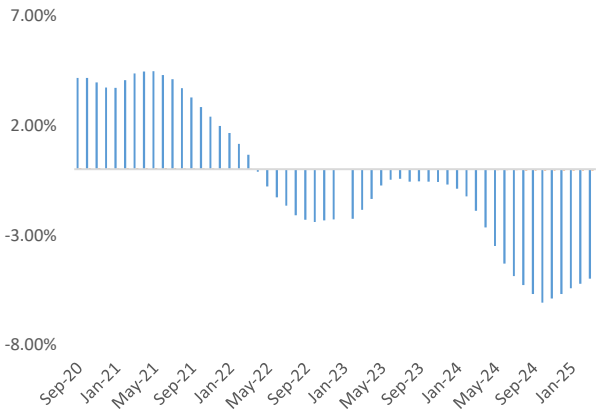


Source: Bloomberg, Shinhan Securities Vietnam

… due to (1) weak consumption demand in China…

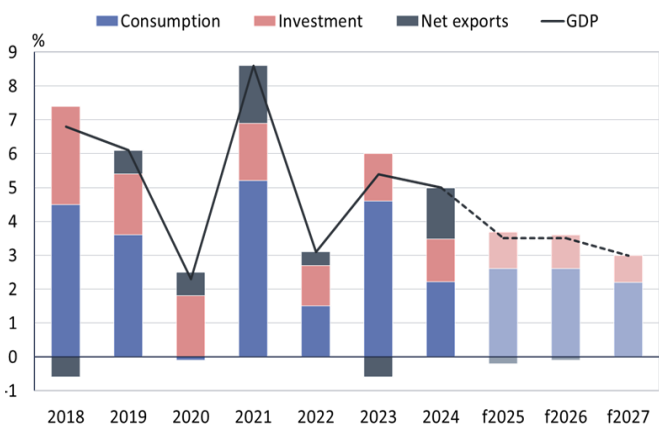
China accounts for 45–50% of global PVC demand and 38% of global PVC exports. The country's resin supply surged during 2015–2021 as the government increased investment in giant plants to pursue petrochemical self-sufficiency. However, Chinese households are still in a belt-tightening state following the COVID-19 shock: **(1)** a sluggish real estate market; **(2)** weakening consumer confidence; **(3)** declining GDP growth. In particular, the Chinese real estate market has shown no signs of recovery due to: **(1)** a prolonged decline in housing prices; **(2)** property development investment remaining negative for three consecutive years (-9.9% YoY in Q1/2025). This has weakened demand for construction materials (steel, construction plastics, etc.), causing PVC resin prices to decline.

China housing price growth (YoY)



Source: Bloomberg., Shinhan Securities Vietnam

China's GDP growth is expected to continue declining in 2025



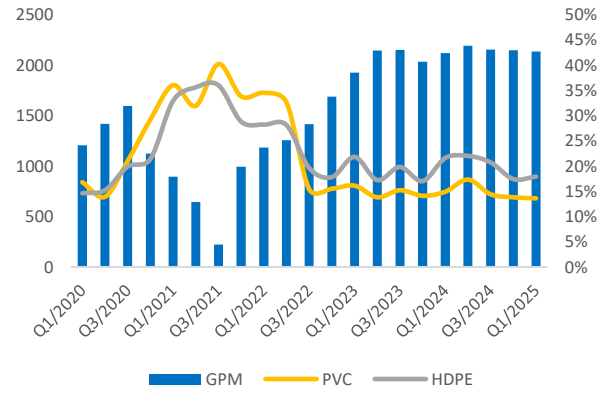
Source: National Bureau of Statistics of China, BOFIT, Shinhan Securities Vietnam

… and (2) Brent crude oil prices remain low.

Brent oil—the key input for PVC resin production—hovered at low levels (~USD 80–81/barrel) throughout 2024 and continued to decline, reaching USD 75/barrel in Q1/2025, due to weakening global oil demand and trade war tensions raising concerns over economic growth.\

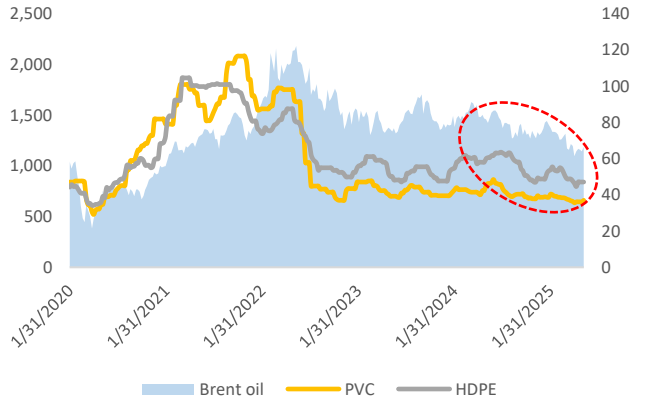
In 2025, we assume: (1) Brent oil will trade around USD 80/barrel; (2) China's real estate market will remain weak through year-end 2025, with PVC resin prices fluctuating around USD 700/ton; (3) BMP's listed selling prices will remain unchanged, and the total discount-to-gross revenue ratio will reach 14% (+1.7 percentage points YoY). **As a result, BMP's gross profit margin in 2025 is expected to reach 44.0% (+0.9 percentage points YoY)—a high level compared to the 10-year average.**

Gross profit margin vs key input prices of BMP



Soure: Bloomberg, BMP., Shinhan Securities Vietnam

BMP's key input resin prices vs oil prices



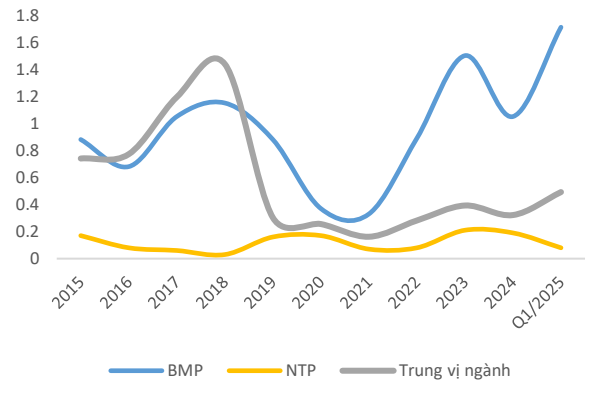
Source: Bloomberg, Shinhan Securities Vietnam

3. Financially sound, attractive cash dividend

3.1. Stable financial health with a strong balance sheet

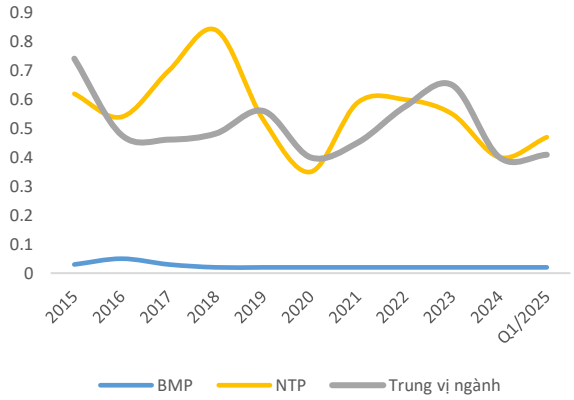
BMP is one of the few listed building materials companies with an almost debt-free balance sheet since its inception—no long-term debt and negligible short-term borrowings during 2006–2024. Its cash coverage ratio and net debt-to-equity ratio significantly outperform industry peers, highlighting BMP's strong financial position.

Cash coverage ratio of BMP, NTP, and industry median



Source: Bloomberg, Shinhan Securities Vietnam

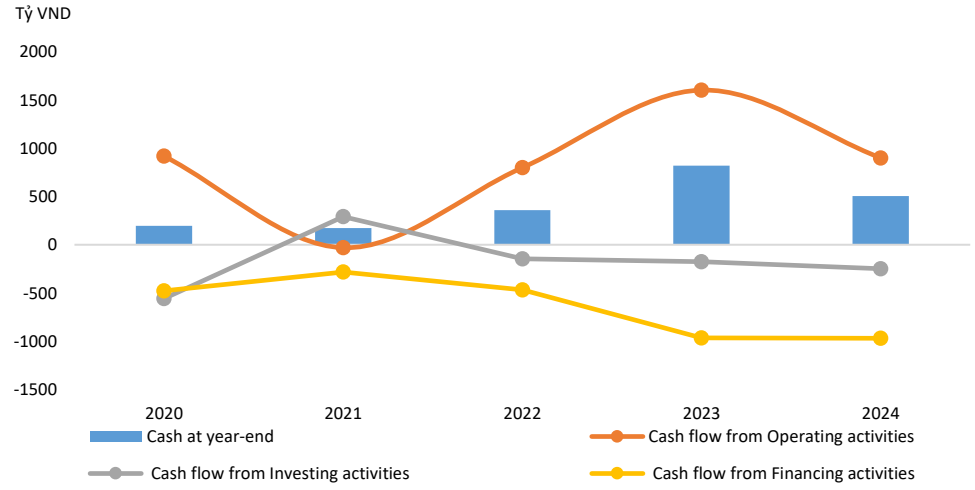
Net debt-to-equity ratio of BMP, NTP, and industry median"



Source: Bloomberg, Shinhan Securities Vietnam

BMP's strong operating cash flow and healthy cash balance are the reasons why the company has no need for debt financing.

Cash flow and cash balance of BMP

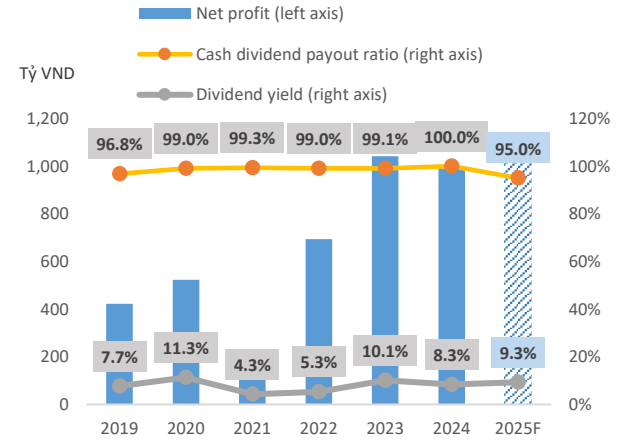


Source: Bloomberg, Shinhan Securities Vietnam

3.2. "A Golden Goose" with an exceptional cash dividend payout

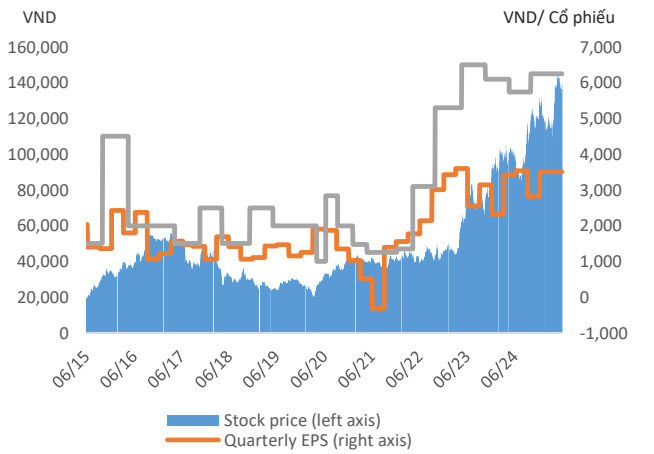
Since 2018, BMP has made no major reinvestments or capacity expansions and has maintained tight control over working capital. As a result, its free cash flow to equity (FCFE) has closely tracked its net profit, allowing the company to consistently pay out generous cash dividends.

Net profit, dividend payout ratio and dividend yields of BMP



Source: Fiinpro, Shinhan Securities Vietnam

Stock price vs. quarterly EPS and cash dividend per share of BMP



Source: Bloomberg, Shinhan Securities Vietnam

BMP has maintained a high cash dividend payout ratio, especially since its acquisition by Thailand's SCG in 2018. During 2019–2024, BMP paid out over 95% of its net profit as dividends, with an average dividend yield above 7% per year. At the 2025 Annual General Meeting, BMP's management reaffirmed its commitment to maintaining a high cash dividend payout over the next three years.

For 2024, BMP announced a payout ratio of approximately 100% of its net profit, equivalent to a dividend yield of 8.3%. We project BMP's 2025 cash dividend payout ratio to reach 95%, implying a forecast dividend yield (2025F) of 9.3%.

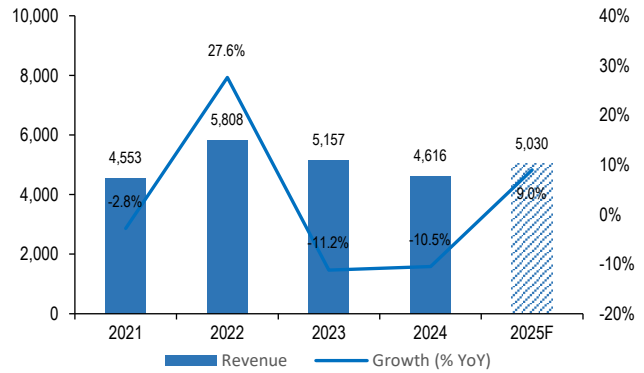
As such, we view BMP as a "golden goose" thanks to its strong balance sheet and high payout ratio—an attractive safe haven for investors amid market volatility.

Projected business results

Based on the above arguments, we forecast that in 2025, BMP's revenue will reach VND 5,030 billion (+9.0% YoY) and net profit will reach VND 1,098 billion (+10.8% YoY). Key drivers of BMP's revenue and profit growth include: **(1)** Higher sales volume supported by the recovery of the residential real estate market (especially in the Southern region) and government-driven infrastructure investment; **(2)** Attractive discount policies helping BMP regain market share; **(3)** Improved profit margin thanks to sustained low prices of input PVC resin.

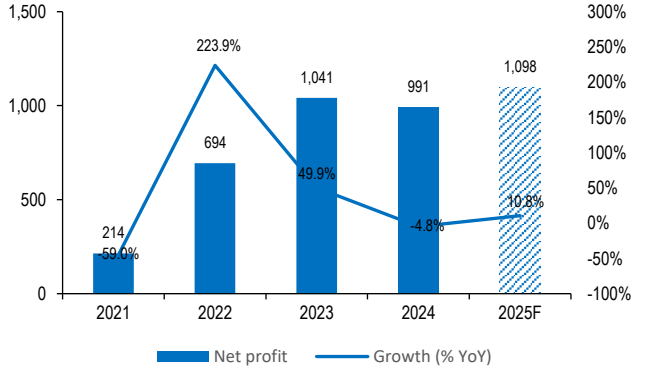
Q1/2025 earnings update: BMP recorded revenue and net profit of VND 1,408 billion (+3.8% YoY) and VND 287 billion (+5.1% YoY), respectively, completing 26.2% and 27.2% of the full-year targets.

Revenue forecast of BMP (VND billion)



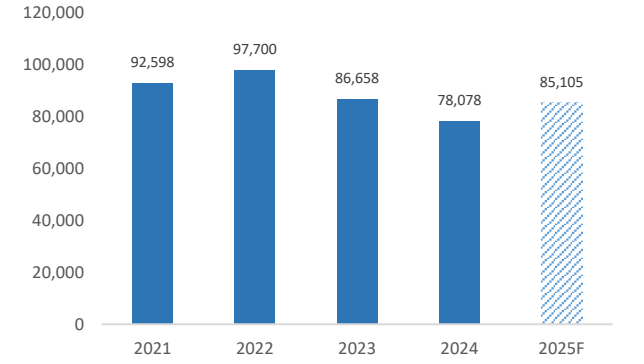
Source: Company Data, Shinhan Securities Vietnam

Net profit forecast of BMP (VND billion)



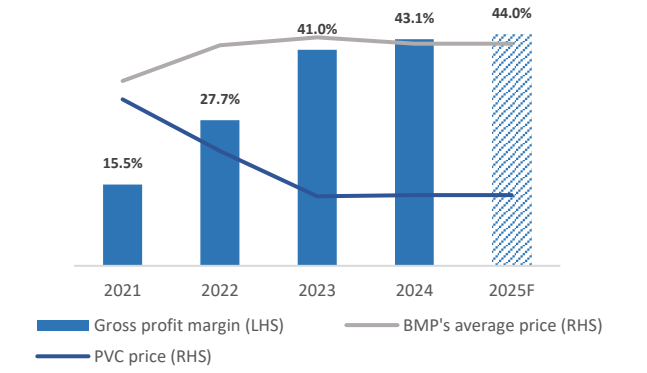
Source: Company Data, Shinhan Securities Vietnam

Forecast of BMP's sales volume



Source: Company Data, Shinhan Securities Vietnam

Gross profit forecast of BMP (VND billion)



Source: Company Data, Shinhan Securities Vietnam

BMP's revenue forecast is based on projected sales volume and selling prices of its PVC and HDPE pipe products. **The projected revenue CAGR for the 2025–2029 period is 4.15% per year.**

We forecast BMP's plastic pipe sales volume to reach 85,105 tons (+9% YoY) in 2025F**,** driven by a recovering Southern real estate market, accelerated infrastructure investment, and BMP's increased discount policy to retain market share. In the long term, sales volume is expected to grow at a **CAGR of 3.5**% during 2026F–2029F, supported by favorable construction demand, underpinned by: **(1)** a young population, and **(2)** high urbanization potential.

In terms of pricing strategy, we expect BMP to maintain its listed prices and increase discount offerings in 2025 to defend market share amid intense competition. As such, **the total discount-to-gross revenue ratio is projected at 14% (+1.7 percentage points YoY).**

Gross profit margin (GPM) for 2025F is projected to improve to 44.0% (+0.9 percentage points YoY), supported by the downward trend in PVC resin prices. Meanwhile, **net profit margin is expected to reach 21.8%**

(+0.3 percentage points YoY), aided by higher financial income (mainly interest from deposits), which offsets the increase in selling expenses due to BMP's expanded discount policy.

Revenue and profit forecast of BMP (2023A–2027F)

(Unit: VND billion)	2023A	2024A	2025F	2026F	2027F
Revenue	**5,157**	**4,616**	**5,030**	**5,378**	**5,754**
Sales volume	86,658	78,078	85,105	91,913	98,347
Selling price (million VND/ton)	60.80	59.10	59.10	59.69	59.69
Gross profit	2,116	1,989	2,213	2,192	2,166
Operating profit	1,304	1,229	1,345	1,237	1,139
Net profit	**1,041**	**991**	**1,098**	**1,006**	**928**
Profit margins (%)					
Gross profit margin	41.0	43.1	44.0	40.8	37.6
Operating profit margin	25.3	26.6	26.7	23.0	19.8
Net profit margin	**20.2**	**21.5**	**21.8**	**18.7**	**16.1**
Growth (%YoY)					
Net revenue	-11.2	-10.5	9.0	6.9	7.0
Operating profit	50.2	-5.8	9.4	-8.0	-7.9
Net profit	49.9	-4.8	10.8	-8.4	-7.8

Source: Company Data, Shinhan Securities Vietnam

Valuation and Recommendation

HOLD recommendation with target price of VND 153,900

We initiate coverage on Binh Minh Plastics JSC (HSX: BMP) with a BUY recommendation and a target price of VND 153,900, implying a total expected return of 7.0% compared to the current market price (excluding cash dividend yield). With a 12-month investment horizon, BMP is a stock worth considering for the following reasons:

1) A turning point in the residential real estate market, especially in the Southern region;
2) Government acceleration of key infrastructure projects;
3) Improved profit margins thanks to lower input PVC resin prices;
4) A "golden goose" with an exceptionally high cash dividend payout.

Valuation methodology

We apply a blended valuation approach using the Discounted Cash Flow to Firm (FCFF) method and the Price-to-Earnings (P/E) multiple, with equal weighting of 50% each to determine the fair value of BMP.

Method	Proportion	Price (VND)
FCFF	50%	157,600
P/E	50%	150,200
Target price		**153,900**
Current price (14/07/2025)		139,400
Rate of Return		**10.4%**

Source: Shinhan Securities Vietnam

Weighted Average Cost of Capital (WACC)	
WACC (%)	**10.44**
Risk free rate (%)	3.1
Equity risk premium (%)	8.4
Beta	0.89
Cost of debt (%)	1.00
Cost of equity (%)	10.50
Debt to Equity ratio (%)	0.55
Debt value (Billion VND)	55

Source: Company Data, Shinhan Securities Vietnam

FCFF Valuation Model					
Unit: VND billion	2025F	2026F	2027F	2028F	2029F
Net profit	**1,098**	**1,006**	**928**	**831**	**1,381**
Add: Interest after tax	0	0	0	0	0
Add: Depreciation	99	99	58	4	3
Less: Change in working capital	236	-96	-53	-29	7
Less: Capital expenditure	60	40	40	40	40
Free cash flow to the firm (FCFF)	**901**	**1,161**	**999**	**825**	**1,338**
Discount rate	0.91	0.82	0.74	0.67	0.61
Present value of free cash flows	816	952	742	554	814
Present value of terminal value	7,791				
Enterprise value	**10,855**				
Less: Debt	55				
Add: Cash balance	1,963				
Shares outstanding (billion shares)	0.081				
Target price (VND) (rounded)	**157,600**				

Source: Company Data, Shinhan Securities Vietnam

P/E Method

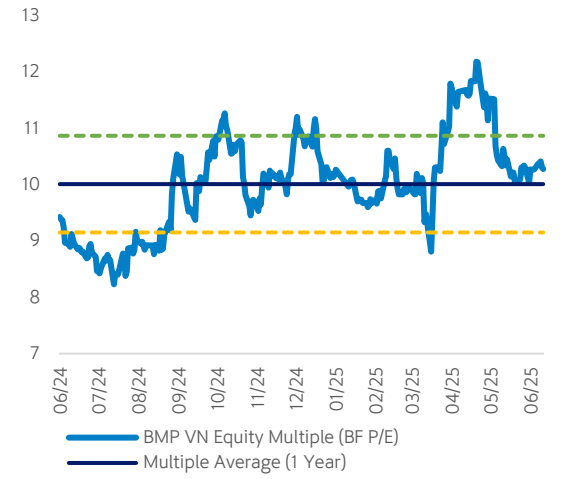
Using the P/E valuation method, we collected data from both domestic and international plastic manufacturers. We estimate BMP's target P/E multiple at 11.2x. Combined with the projected 2025 EPS of VND 13,414, BMP's target price is valued at VND 150,240.

Comparison of peer enterprises

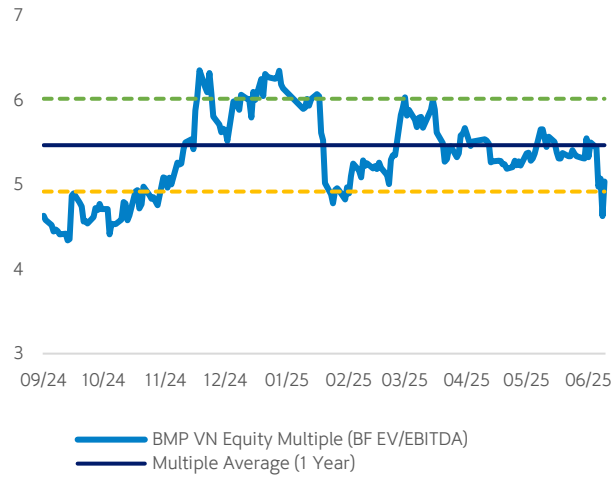
Company name	Country	PS	Market cap. (USD mn)	Revenue growth YoY (%)	EPS growth YoY(%)	ROA (%)	ROE (%)
Tien Phong Plastic	Việt Nam	10.12	368	33.77	94.49	24.34	14.96
Zhejiang Weixing New Build - A	Trung Quốc	18.70	2,626	(3.16)	(16.44)	1.02	4.16
China Lesso Group Holding	Trung Quốc	6.98	4,456	(11.53)	(78.02)	4.36	2.85
Shandong Donghong Pipe	Trung Quốc	17.50	435	(3.16)	(16.44)	1.02	7.73
China State Construction Development Holding	Hong Kong	4.65	339	(2.59)	(10.12)	1.63	5.63
Nihon Dengi Co Ltd	Nhật Bản	10.70	414	1.96	28.64	3.81	10.30
Dynasty Ceramic PCL	Thái Lan	15.20	385	(4.45)	(3.32)	4.86	9.12
Average			**11.98x**				
Median			**10.70x**				
5 years average P/E			**11.2x**				
P/E forward			**11.2x**				
EPS forward			**13,414**				
Target price			**150,240**				

Nguồn: Bloomberg, Shinhan Securities Vietnam

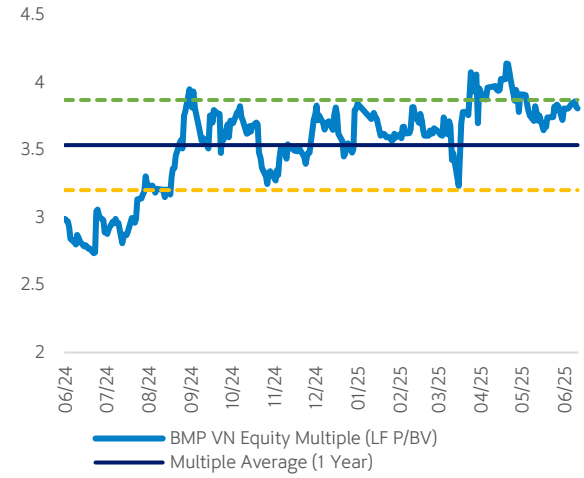
P/E 1 year



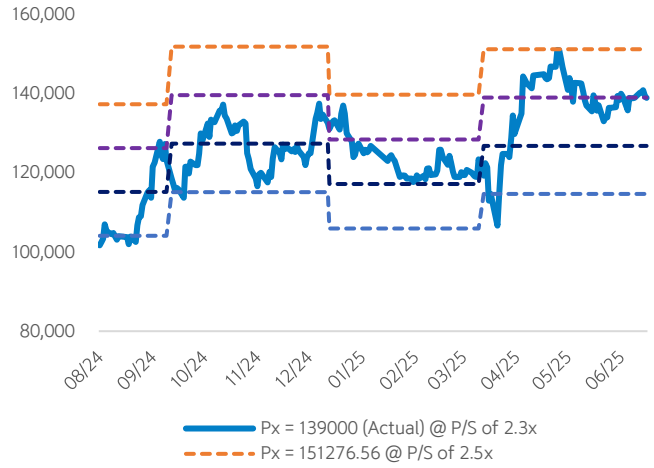
EV/EBITDA 1 year



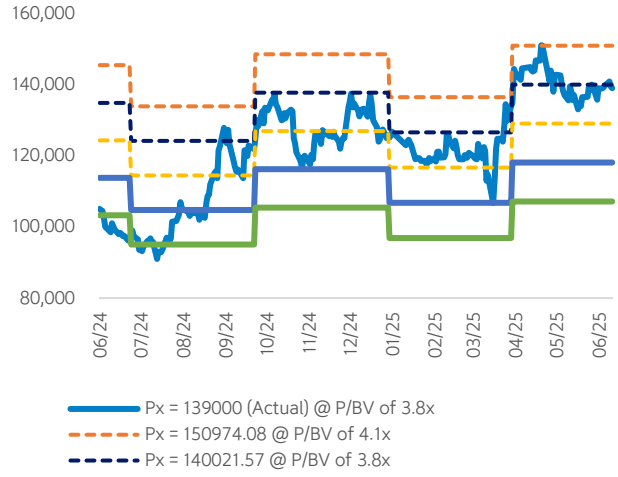
P/B 1 year



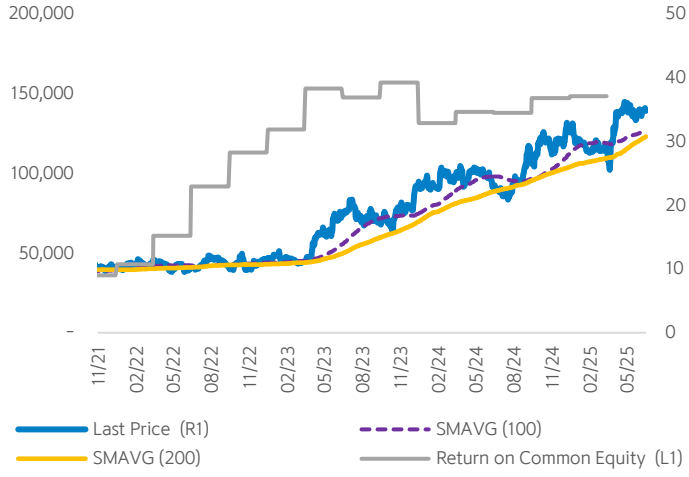
P/S band



P/B band

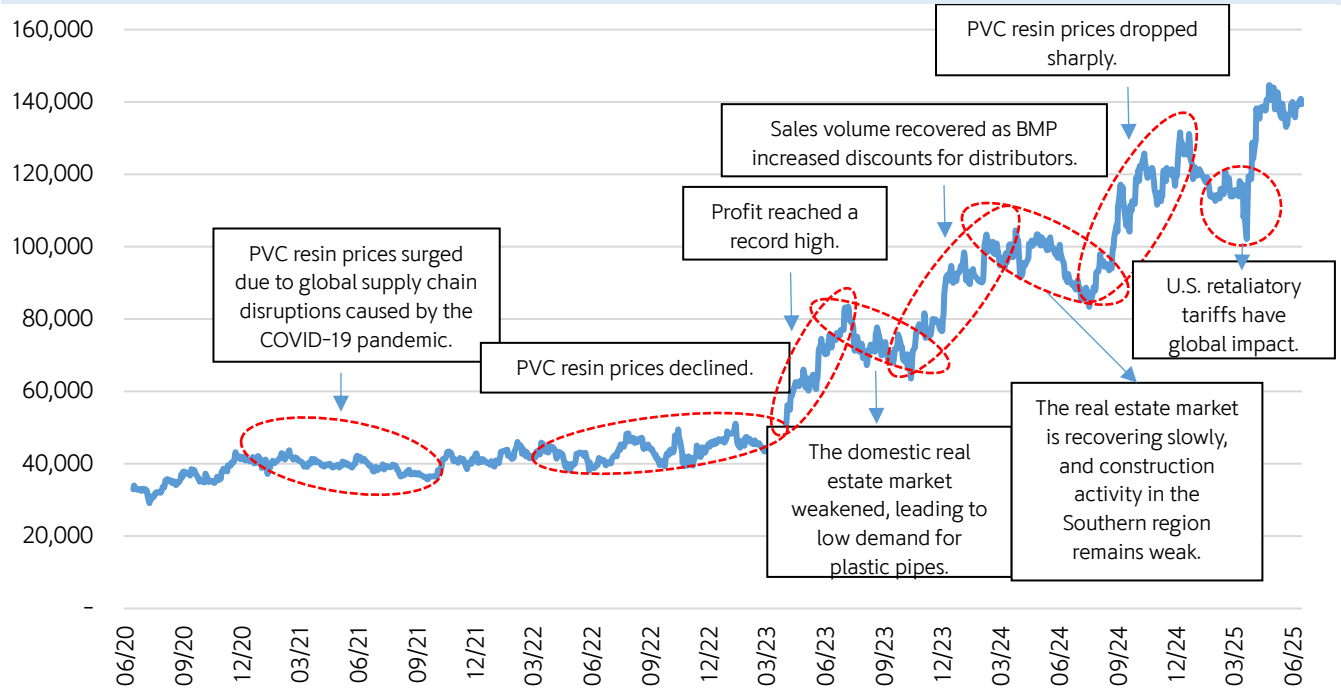


ROE and MA 5 year



Source: Bloomberg data, Shinhan Securities Vietnam

Key event chart of BMP



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Risks

Risk of a sluggish recovery in the real estate market

The construction plastics industry, including BMP, is highly dependent on the recovery of the real estate sector. If the market remains subdued due to delayed regulatory clearance or weak consumer sentiment, demand for plastic pipes in housing and infrastructure projects may decline—putting significant pressure on BMP's revenue and production capacity.

Risk of PVC resin prices rebounding earlier than expected

PVC resin accounts for a large portion of BMP's production costs. If PVC prices rise earlier than expected—due to a recovery in demand from China or global supply disruptions—BMP may face sudden input cost pressure. In a still-weak or highly competitive market, the company may struggle to pass on these increased costs to customers, leading to compressed gross margins. A bigger concern is that unpredictable raw material price fluctuations could hinder BMP's ability to plan and control production costs effectively.

Risk of oil price volatility

Oil prices indirectly affect PVC prices, as PVC is a petroleum-derived product. In addition, domestic transportation costs largely depend on oil price movements. Sharp oil price swings—especially increases—due to factors such as geopolitical tensions, reduced output, or OPEC+ export restrictions could significantly raise BMP's production and logistics costs. If end-market demand remains weak, the company may not be able to fully pass on higher selling prices, eroding margins from both input and transportation costs.

Competitive risk

Vietnam's construction plastics industry is reaching saturation, with increasing competition from large domestic players like Tien Phong Plastics (NTP), Hoa Sen Group (HSG), as well as smaller, more price-flexible companies. Although BMP benefits from strong brand recognition and a wide distribution network, it still faces pressure to compete on selling prices, discounts, sales costs, and promotions to defend its market share. Additionally, rivals may introduce cheaper substitutes or adopt new cost-saving technologies, potentially causing BMP to lose market share.

Appendix: Financial statements

Statement of financial position

Year to Dec. (bn VND)	2023	2024	2025F	2026F	2027F
Total assets	**3,255**	**3,200**	**3,345**	**3,400**	**3,467**
Current assets	2,594	2,596	2,849	2,963	3,049
Cash & equivalents	821	504	952	840	717
Short-term financial asset	1,190	1,410	1,257	1,344	1,439
Accounts receivable	174	178	187	255	275
Inventories	364	464	411	483	559
Non-current assets	661	604	496	437	419
Net fixed assets	280	259	200	141	123
Investment assets	64	64	64	64	64
Other long-term assets	279	236	236	236	236
Total liabilities	**565**	**499**	**626**	**671**	**734**
Current liabilities	546	481	609	654	716
Accounts payable	491	426	548	588	647
Short-term borrowings	55	55	61	65	69
Others	337	254	396	407	440
Non-current liabilities	19	18	18	18	18
Long-term borrowings	0	0	0	0	0
Other financial liabilities	19	18	18	18	18
Total shareholders' equity	**2,690**	**2,702**	**2,719**	**2,729**	**2,733**
Capital stock	819	819	819	819	819
Capital surplus	2	2	2	2	2
Other capital	1,870	1,881	1,898	1,909	1,913
Retained earnings	667	679	696	706	711
Non-controlling interest equity	0	0	0	0	0
*Total debt	55	55	61	65	69
*Net debt (cash)	(1,956)	(1,859)	(2,149)	(1,420)	(1,387)

Statement of comprehensive income

Year to Dec. (bn VND)	2023	2024	2025F	2026F	2027F
Revenue	**5,157**	**4,616**	**5,030**	**5,378**	**5,754**
Growth (%)	-11.2	-10.5	9.0	6.9	7.0
COGS	**(3,041)**	**(2,627)**	**(2,817)**	**(3,186)**	**(3,588)**
Gross profit	2,116	1,989	2,213	2,192	2,166
GPM (%)	41.0	43.1	44.0	40.8	37.6
SG&A	**(783)**	**(676)**	**(835)**	**(919)**	**(984)**
Operating profit	**1,333**	**1,313**	**1,379**	**1,273**	**1,182**
Growth (%)	0.5	(0.1)	0.1	(0.1)	(0.1)
OPM (%)	25.9	28.4	27.4	23.7	20.5
Non-operating profit	**(24)**	**(72)**	**(21)**	**(23)**	**(31)**
Financial income	119	79	110	112	110
Financial expense	(146)	(162)	(143)	(147)	(153)
In which: interest expenses	(0)	(0)	(0)	(0)	(0)
Net other non-operating profit	3	12	13	13	13
Pre-tax profit	**1,309**	**1,241**	**1,358**	**1,250**	**1,152**
Income tax	(266)	(250)	(271)	(255)	(235)
Net profit	**1,041**	**991**	**1,098**	**1,006**	**928**
Growth (%)	49.9	(4.8)	10.8	(8.4)	(7.8)
NPM (%)	20.2	21.5	21.8	18.7	16.1
Controlling interest	1,041	991	1,098	1,006	928
Non-controlling interest	0	0	0	0	0
EBIT	**1,307**	**1,241**	**1,369**	**1,261**	**1,163**
Growth (%)	50.0	(5.1)	10.3	(7.9)	(7.8)
EBIT Margin (%)	25.3	26.9	27.2	23.4	20.2
EBITDA	**1,457**	**1,338**	**1,468**	**1,360**	**1,221**
Growth (%)	40.5	(8.2)	9.7	(7.3)	(10.2)
EBITDA margin (%)	28.3	29.0	29.2	25.3	21.2

Statement of cash flow

Year to Dec. (bn VND)	2023	2024	2025F	2026F	2027F
Cash flow from operations	**1,603**	**901**	**1,325**	**900**	**828**
Net profit	1,041	991	1,098	1,006	928
Depreciation expense	150	98	99	99	58
(Gain) from investing activities	(118)	991	(108)	(108)	(105)
Change in working capital	380	(207)	236	(96)	(53)
Others	150	(971)	-	-	-
Cash flow from investments	**(174)**	**(248)**	**200**	**(19)**	**(30)**
Change in fixed assets	(70)	(77)	68	68	65
Change in investment assets	-	-	153	(87)	(94)
Others	(104)	(172)	(20)	-	-
Cash flow from financing	**(966)**	**(970)**	**(1,075)**	**(992)**	**(919)**
Change in equity	-	-	-	-	-
Net borrowing	(966)	(970)	6	4	4
Dividends	-	-	(1,081)	(996)	(923)
Change in total cash	**463**	**(317)**	**450**	**(110)**	**(121)**
Beginning cash	359	821	504	952	840
Change in FX rates	52	2	2	2	3
Ending cash	821	504	952	840	717

Source: Company data, Shinhan Securities Vietnam

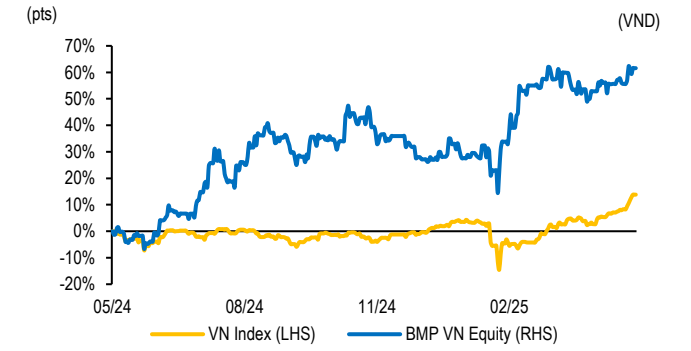
Key ratios

Year to Dec.	2023	2024	2025F	2026F	2027F
EPS (VND)	12,717	12,103	13,414	12,286	11,332
BPS (VND)	32,857	33,004	33,211	33,336	33,389
PER (x)	10.0	10.7	10.4	11.3	12.3
PBR (x)	3.9	3.9	4.2	4.2	4.2
EV/EBITDA (x)	6.4	7.2	7.6	8.3	9.4
Dividend payout ratio (%)	93	99	95	95	95
Dividend yield (%)	10.1	8.3	9.3	9.5	9.7
Profitability					
EBITDA margin (%)	28.3	29.0	29.2	25.3	21.2
OPM (%)	25.3	26.6	26.7	23.0	19.8
NPM (%)	20.2	21.5	21.8	18.7	16.1
ROA (%)	32.0	31.0	32.8	29.6	26.8
ROE (%)	38.7	36.7	40.4	36.9	33.9
Stability					
Debt to equity ratio (%)	2.1	2.0	2.2	2.4	2.5
Net debt ratio (%)	(134.2)	(138.9)	(146.4)	(104.4)	(113.6)
Cash ratio (%)	368.3	398.0	363.1	334.2	301.0
Interest coverage ratio (x)	33,798.7	59,461.2	8,589.8	6,964.4	6,727.8
Activity (%)					
Working capital turnover (times)	8.7	12.9	11.8	11.3	12.3
Inventory turnover (days)	56.5	57.5	53.3	51.2	53.0
Receivable turnover (days)	16.0	13.9	13.6	15.0	16.8

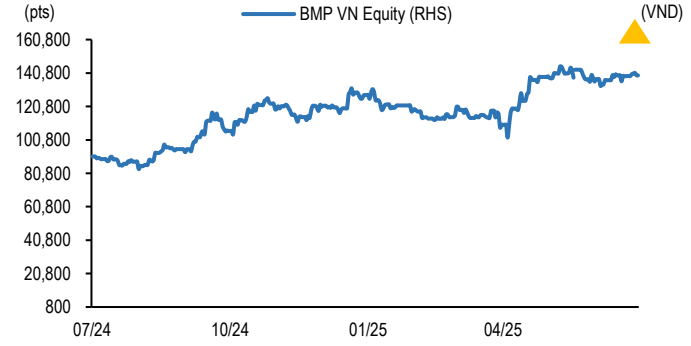
Source: Company data, Shinhan Securities Vietnam

Binh Minh Plastics Joint Stock Company (BMP VN)

Share price



Target price (VND)



Date	Rating	TP (VND)	TP gap (%) Average	Max/Min
02/07/2025 (BC lần đầu)	MUA	153,900	30.2	6.2/84.5

Lưu ý: Tính toán chênh lệnh giá mục tiêu dựa trên 12 tháng qua

Shinhan Securities Vietnam

Cổ phiếu	Ngành
◆ **MUA:** Khả năng sinh lời trong 12 tháng từ 15% trở lên ◆ **GIỮ:** Khả năng sinh lời trong 12 tháng từ -15% đến 15% ◆ **BÁN:** Khả năng sinh lời trong 12 tháng thấp hơn -15%	◆ **TÍCH CỰC:** Cổ phiếu được theo dõi có vốn hóa lớn nhất trong ngành được khuyến nghị MUA ◆ **TRUNG LẬP:** Cổ phiếu được theo dõi có vốn hóa lớn nhất trong ngành được khuyến nghị GIỮ ◆ **TIÊU CỰC:** Cổ phiếu được theo dõi có vốn hóa lớn nhất trong ngành được khuyến nghị BÁN

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