

29 Apr 2022

Binh Dien Fertilizer (BFC)

AGM Briefing: Keeping the top position in NPK market

- On Apr 29th, we attended BFC's AGM presentation briefing for the full-year 2021 results as well as the 2022F business plans.

Growth momentum will continue in 2022F

- The company achieved a revenue of VND7,743bn (+43% yoy) and a PBT of VND371bn (+86% yoy) in 2021 (about 745,000 tonnes of NPK), fulfilling 136%/223% of the year guidance. In 2022F, the company sets the guidance of a VND6,428bn revenue (-17% yoy) and VND200bn PBT (-46% yoy), with the NPK consumed volume of 603,000 tonnes.
- A cash dividend of 20% at par is going to be paid in 2022F, equivalent to VND114bn. The company expects to pay 2022F dividend not less than 15% at par in 2023F.
- In 1Q22, BFC recorded spectacular growth with a VND2,594bn revenue (+47% yoy) and a VND107bn PBT (+26% yoy), fulfilling 40%/54% of annual guidance. The sales volume in 1Q22 is estimated at 164,000 tonnes.
- The company also informed that in the context when the prices of straight fertilizer (provides a single nutrient e.g., N, P or K) has increased, BFC's input material prices are also affected. However, they consist that BFC will consider pricing policy to balance the interest of the farmers and the company itself.

"A companion to the farmers"

- The company aims to become a companion of the farmers. Instead of just selling the fertilizer like other competitors, BFC provides advance solutions for farmers in farming by applying new techniques to products. And this is one of the reasons that help BFC maintains their top position in domestic NPK market.

Valuation

- Based on guidance of 2022F profit, 12MF PE is 12.0x and 12MF PB is 1.36x, higher than the 2-year average of 9.0x and 1.17x, respectively.

12M rating **Non-rated**

12M TP **N.A**

Up/Downside **N.A**

Stock Data

VNIndex (28 Apr, pt)	1,351
Stock price (28 Apr, VND)	32,500
Market cap (USD mn)	84
Shares outstanding (mn)	57
52-Week high/low (VND)	47,600/19,643
6M avg. daily turnover (USD mn)	1.09
Free float / Foreign ownership (%)	34.6/4.7
Major shareholders (%)	
Vinachem	65.0
Vietnam Investment Property Holdings Ltd	3.92

Performance

	1M	6M	12M
Absolute (%)	(0.6)	(31.4)	(7.1)
Relative to VNIndex (%p)	9.1	(22.6)	(1.9)

Stock price trend



Source: Bloomberg

	2017A	2018A	2019A	2020A	2021A
Sales (VND bn)	6,306	6,382	6,132	5,418	7,743
chg. (% YoY)	6%	1%	-4%	-12%	43%
Operating profit (VND bn)	558.2	418.2	256.7	296.9	448.7
Net profit (VND bn)	349.1	253.4	99.3	165.9	296.8
EPS (VND)	1,080	1,119	602	1,018	3,623
chg. (% YoY)	-79%	4%	-46%	69%	256%
EBITDA (VND bn)	2,019	2,084	1,713	1,962	3,288
PE (x)	37.3	36.2	55.8	36	12.4
EV/EBITDA (x)	13.2	12.6	14.7	12.3	7.3
PB (x)	3.9	3.8	3.9	3.8	3.1
ROE (%)	10%	10%	10%	10%	30%
Dividend yield (%)	3%	6%	3%	4%	6%

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

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