

26 Jul 2023

## Xi mang Bim Son (BCC)

### 2Q23 Loss but less

- High-cost input still affect margins
- Maintain HOLD

#### Facts: Loss but less

BCC's revenue decreased 21.3% yoy to VND892.5bn in 2Q23 while the NPAT was loss of VND6.7bn. The gross margin was improved from 4.2% in 1Q23 to 7.7% in 2Q23. According to the company, the coal price has decreased by 5% compared to 1Q23.

The company still expect the export sales volume in 3Q23 will be weak when the competition becomes more intensely. As for domestic market, the company sees some positive signals.

#### Pros & cons: Off-peak season in 3Q23

Due to the impact of rainy season and the property market issues, the market demand is expected to be weak in 3Q23 and 2H23. However, El-Nino is expected to increase the number of dry days, therefore, it will increase the probability for higher cement consumption in 3Q23.

#### Action: Maintain HOLD

We maintain HOLD rating on BCC stock as we see the outlook for the industry is still dark.

Below In line Above

vs. KIS forecast

12M rating **HOLD (Maintain)**

12M TP from N/A

Up/Downside

#### Stock data

VNIndex (25 Jul, pt)	1,196
Stock price (25 Jul, VND)	14,300
Market cap (USD mn)	74
Shares outstanding (mn)	123
52-Week high/low (VND)	16,175/5,100
6M avg. daily turnover (USD mn)	0.54
Free float / Foreign ownership (%)	26.8/1.2
Major shareholders (%)	
Vietnam National Cement Corp	73.1

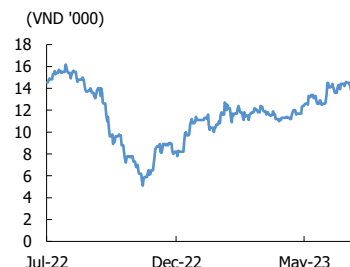
#### Valuation

	2021A	2022A	2023F
PE (x)	29.3	34.5	35.0
PB (x)	0.8	0.8	0.8
ROE (%)	3.7	3.0	2.9
DY (%)	3.1	4.4	3.5
EV/EBITDA (x)	4.5	5.3	4.8
EPS (VND)	488	415	409
BPS (VND)	17,197	17,228	17,205

#### Performance

	1M	6M	12M
Absolute (%)	1.4	27.9	(2.3)
Relative to VNIndex (%p)	(4.5)	19.0	(4.7)

#### Stock price



Source: Bloomberg

**Table 1. 2Q23 earnings**

(VND bn, %, %p)

	2Q22	3Q22	4Q22	1Q23	2Q23	QoQ	YoY	Consensus
Sales	1,133.9	982.2	919.5	847.9	892.5	5.3	(21.3)	NA
OP	83.2	(37.1)	(18.0)	(33.1)	5.6	-	-	NA
OP margin	7.3	(3.8)	(2.0)	(3.9)	0.6	4.5	(6.7)	NA
EBT	74.7	(45.3)	(30.2)	(48.6)	(6.7)	-	-	NA
NP	57.8	(37.6)	(25.9)	(48.6)	(6.7)	-	-	NA

Source: Company data, KIS

### ■ Company overview

Bim Son Cement Joint Stock Company (BCC) was established in 1980 with its main business in production, trade, import and export of cement, clinker and other building materials. The company has a total clinker production capacity of 3.4mn tonnes and cement capacity of 5mn tonnes per annum.

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Prepared by: Research Dept

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