



## Company Report: Masan High-tech Materials JSC (MSR)

Research Department

25/04/2025

# Commodity stocks – a defensive hedge against inflation

## KEY UPDATES

Masan High-Tech Materials Joint Stock Company (MSR) is a member of the Masan Group. Established in 2010, the company is primarily engaged in the mining and processing of industrial minerals. MSR currently operates the Nui Phao polymetallic mine and a tungsten processing plant in Thai Nguyen province. It is the largest producer of mid-stream tungsten products outside of China.

MSR's core product portfolio includes tungsten, copper, fluorspar, and bismuth—critical materials widely used in key modern industries such as electronics, chemicals, automotive, aerospace, energy, and pharmaceuticals.

With access to one of the world's largest mineral reserves, MSR stands to benefit from tightening global supply conditions, especially amid escalating trade tensions. Production and revenue are expected to improve from 2025 onward, following the anticipated reinstatement of blasting activities at the Nui Phao mine.

The divestment of H.C. Starck (HCS) has allowed MSR to deleverage, enhancing its financial flexibility and profitability outlook.

In a high-inflation environment, commodity stocks like MSR may attract increased investor interest as a defensive hedge.

## RECOMMENDATION

**Our valuation results suggest a target price of VND 17,500 per share.**

As of the close on April 24, 2025, MSR was trading at VND 16,000 per share, implying a P/B ratio of 1.44.

We recommend a **NEUTRAL** rating for MSR. A more attractive entry point would be in the range of VND 12,000–13,000 per share, which is closer to its book value per share (BVPS).

Recommendation:

**Neutral**

TP:

**VND17,500**

Current stock price:

VND16,000

## Price performance



Stock price change	price	1 M	3 M	1Y
Price change %		-17.1%	48.1%	-19.6%
Comparison with VN-index		-25.1%	44.9%	-27.2%
Average (VND)		17,191	18,397	14,474

Source: Bloomberg, Guotai Junan (VN)

Outstanding shares (million)	1,099.16	Major shareholder (%)	Masan Vision	95%
Market Capitalization. (VND b)	18,136.06	Free float (%)		5%
3-Month Average Trading Volume ('000)	2,884.98	EPS (VND)		-1,491
Highest/Lowest Price 52w (VND)	25600 / 10400	NPM (%)		-11.07

Source: the Company, Guotai Junan (VN).

## COMPANY OVERVIEW

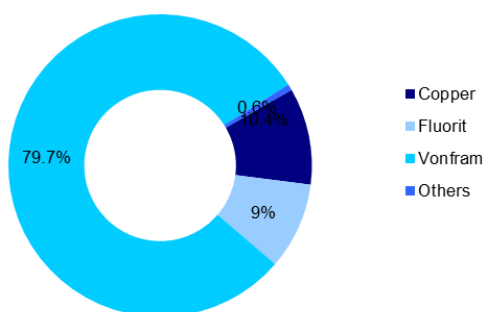
### Introduction

Masan High-Tech Materials Joint Stock Company (MSR) is a member of the Masan Group. Established in 2010, the company is primarily engaged in the mining and processing of industrial minerals. MSR currently operates the Nui Phao polymetallic mine and a tungsten processing plant in Thai Nguyen province. It is the largest producer of mid-stream tungsten products outside of China.

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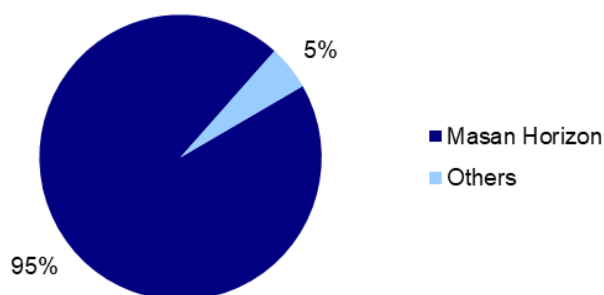
### Revenue breakdown by product

Revenue structure 2024

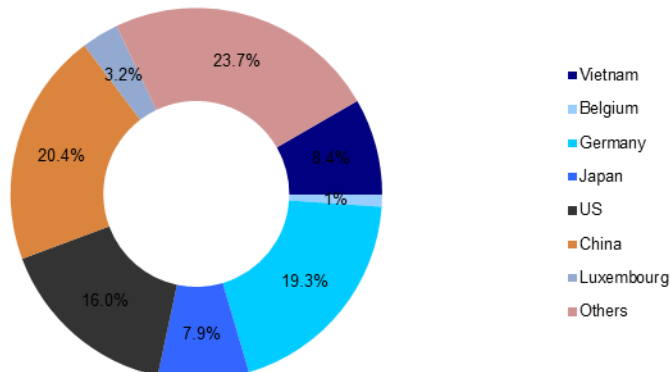


### Shareholder structure

Shareholder Structure



Revenue by market



Sources: MSR, GTJASVN Research

### CAPACITY

**Tungsten Recycling Plant (MTC):** The MTC processes the entire output of tungsten concentrate from Nui Phao Mining Company (NPMC) and recycling used batteries, serving as a sustainable source of input materials for new products.

The **Nui Phao mine** commenced operations in 2014 with an initially projected life of 20 years (through 2034). According to the latest updates from the group, the mine had approximately 44 million tonnes of ore remaining as of 2023, potentially extending its operational life to 2035. Nui Phao is one of the largest identified tungsten reserves outside of China, with **52.5 million tonnes of WO<sub>3</sub> ore at an average grade of 0.21%**.

### Successfully divested from HCS in 2024

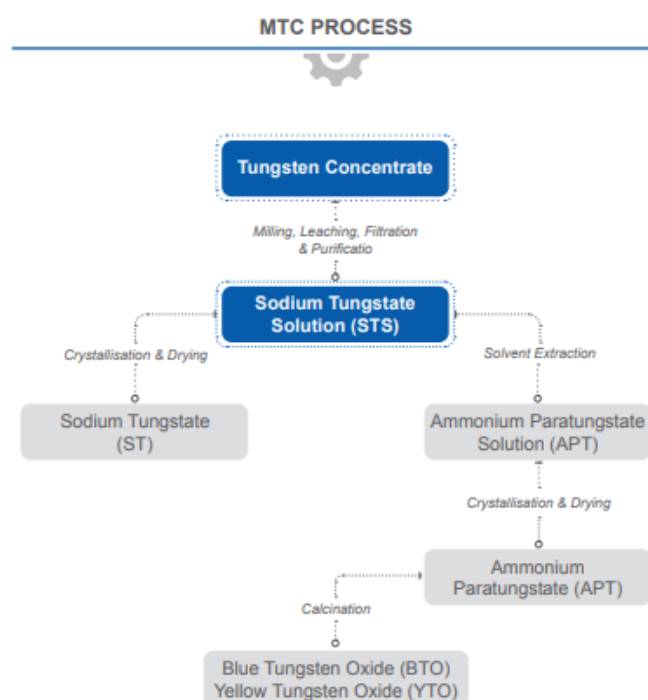
In **Q4 2024**, Masan High-Tech Materials (MSR) completed the divestment of **100% ownership in H.C.**

## Starck Holding (HCS) to the Mitsubishi Materials Corporation Group (MMC).

HCS is a leading producer of high-quality tungsten powders. MSR initially acquired HCS in 2020 with the strategic vision of bringing advanced tungsten recycling and refining technologies to Vietnam, aiming to transition toward a **sustainable circular economy model**. That same year, MSR and MMC entered into a strategic partnership to establish a **global tungsten value chain alliance**. However, Vietnam's regulatory framework has yet to permit the importation of tungsten scrap, hindering MSR's ability to fully execute its recycling strategy domestically. This regulatory challenge ultimately led to MSR's decision to divest from HCS after four years.

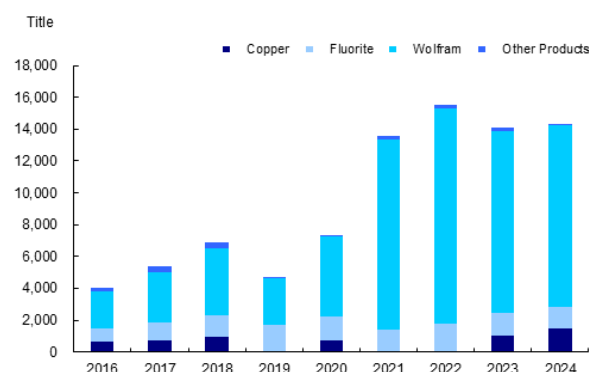
The transaction generated approximately **VND 1,400 billion in financial income** for MSR. In addition, MSR and HCS signed an **offtake agreement** for Ammonium Paratungstate (APT) and tungsten oxide products, ensuring a partial secured sales channel for MSR's output.

Following the divestment, MSR retains ownership of the **MTC recycling plant**, which is designed to process all tungsten concentrate output from NPMC and external raw materials into high-grade APT through a chemical treatment process. This includes physical-chemical refining stages and crystallization. The resulting APT can be sold directly or further processed by calcination into **Blue Tungsten Oxide (BTO)** and **Yellow Tungsten Oxide (YTO)** for sale to third parties or for continued value-added processing within MSR's production chain.

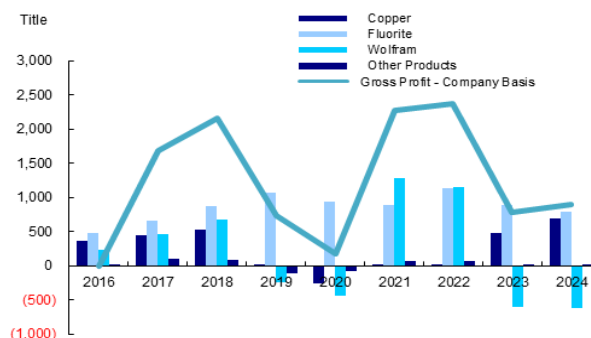


## FINANCIAL ANALYSIS

### Revenue breakdown by product



### Gross profit breakdown by product



Sources: Bloomberg, GTJASVN Research

## 2024 Business Performance by Product

	Output 2024	Output 2023	%Change	Note
<b>Tungsten</b>			-4%	Due to lower feedstock volumes from the Nui Phao mine, the company is increasingly shifting its tungsten supply focus toward secondary sources (scrap materials).
<b>Florit</b>			~	Impacted by lower recovery rates due to an increased blending ratio of oxidized low-grade stockpiled ore.
<b>Copper</b>	53,100 tons		Increase	Driven by higher feed grade.
<b>Bismuth</b>			Decrease	Due to lower feed grade and reduced recovery rates.
<b>Coban</b>	195 tons		35%	

### Revenue by Product

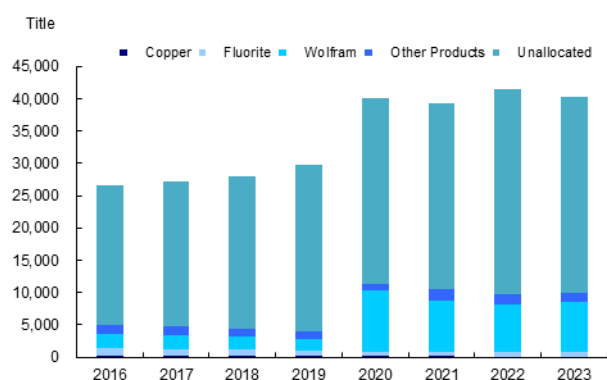
	2024	2023	%change	
<b>Copper</b>	1484.48	1043.54	42.25%	Domestic consumption increased sharply. Copper sales in the domestic market are expected to continue in 2025.
<b>Fluorite</b>	1332.361	1419.52	-6.14%	Sales volume declined, despite an increase in prices.
<b>Tungsten</b>	11427.56	11429.31	-0.02%	Weak demand, but offset by price increases.
<b>Others</b>	91.923	200.88	-54.24%	
<b>Total</b>	<b>14336.33</b>	<b>14093.25</b>	<b>1.72%</b>	

### Gross profit by product

	2024	2023	%change	
<b>Copper</b>	699.851	486.168	43.95%	
<b>Fluorite</b>	798.732	886.403	-9.89%	
<b>Tungsten</b>	-620.357	-593.894		The tungsten segment incurred losses due to low tungsten prices and high depreciation.
<b>Others</b>	14.479	5.608	158.18%	
<b>Total</b>	<b>892.706</b>	<b>784.286</b>	<b>13.82%</b>	Blasting activities at the Nui Phao mine were suspended in 2023 and have now been reinstated with the necessary permits.

Sources: MSR, GTJASVN Research

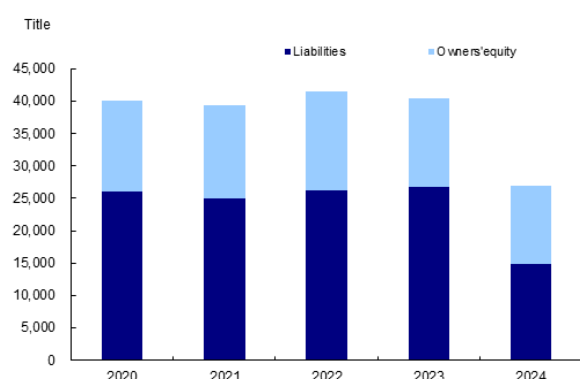
## Assets breakdown by product



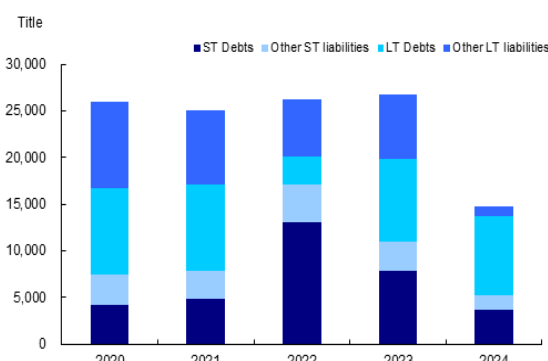
By the end of 2024, MSR's total assets decreased to over VND 26 trillion, down from VND 40 trillion in 2023, following the divestment from HCS.

Sources: Bloomberg, GTJASVN Research

## Resources structure

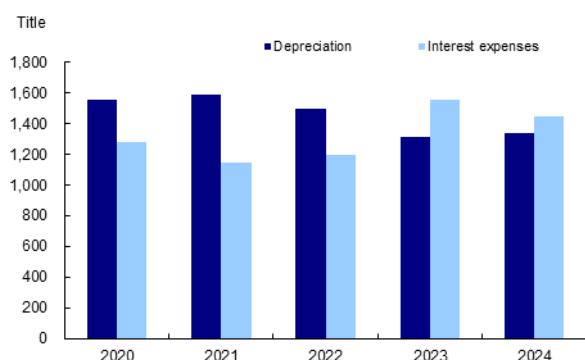


## Liabilities structure



## The company's profitability is heavily burdened by depreciation expenses and interest costs.

### Depreciation and interest expenses

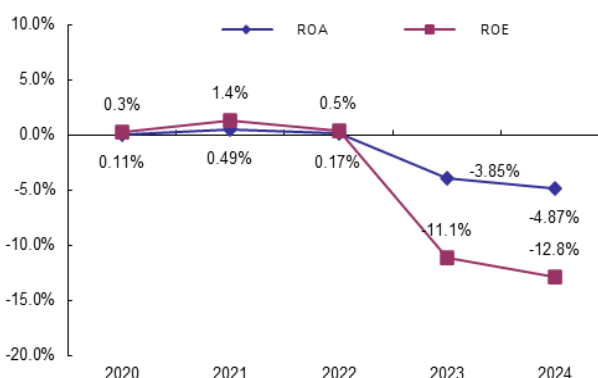
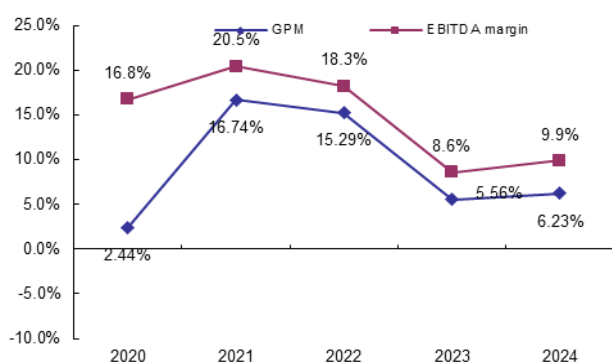


### Company's profit



Sources: FiinproX, GTJASVN Research

### Profit margin and efficiency



Sources: FiinproX, GTJASVN Research

As part of the Masan ecosystem, MSR enjoys certain advantages in accessing capital.

By the end of 2024, MSR's debt structure will be skewed towards long-term liabilities, reflecting its investments in fixed assets such as the Nui Phao mine and the tungsten processing plant.

Following the divestment from HCS in **Q4 2024**, the company's short-term debt (including borrowings) is expected to decrease significantly.

**There is an expectation of a slight reduction in interest expense pressure in 2025 and the following years**, thanks to a reduction of **VND 4,000 billion** in short-term debt. Interest costs are projected to decrease by approximately **VND 150 billion** per year.

A noticeable difference between pre-tax and post-tax profits in 2024 will be observed due to changes in deferred income tax related to asset and income adjustments following the HCS divestment.

### 2025 BUSINESS PROSPECTS

Product	%Rev	2024		Details
		GP (bn)	GPM	
Volfram	80%	-620	-	<p>This segment continues to report losses due to significant depreciation expenses. The average price in 2024 was roughly USD 318 per MTU.</p> <p><b>Supply, Price, and Outlook</b></p> <p>Global tungsten prices are forecasted to rise to USD 385 per MTU from the current USD 335 per MTU due to the tightening global supply, with inventory levels remaining low, particularly following China's announcement—being the world's largest tungsten producer—that it has implemented measures to control and restrict exports of this metal.</p>



**Tungsten demand remains high, driven by industries such as semiconductors, electronics, and defense.** Notably, the U.S. Department of Defense (DoD) has issued a ban on the use of tungsten mined from China after January 2027, which is expected to increase demand for alternative sources, particularly from new projects in the U.S. and South Korea.

**Copper 10% 700 47%**

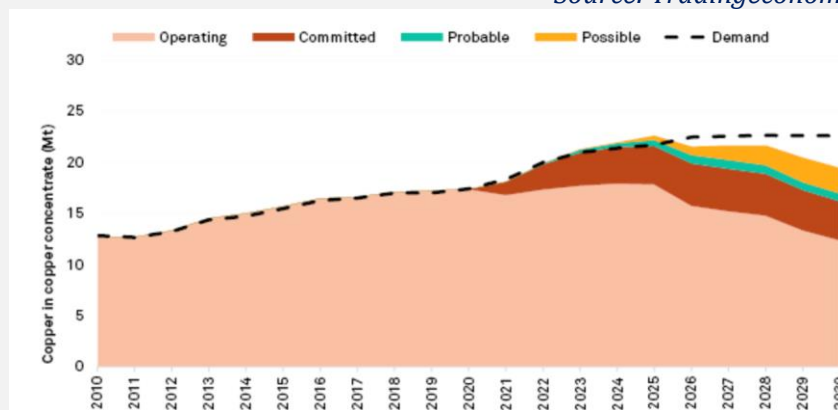
The copper market may face a short-term supply gap, with U.S. supply expected to become tighter starting in late 2024. This is due to global mining output not increasing quickly enough to meet demand, particularly with new projects in Chile, Peru, and the DRC (Democratic Republic of Congo) not sufficiently compensating for the supply shortfall.

On the other hand, tariff-related developments could significantly impact copper demand. In a negative scenario, a global recession could reduce demand for housing expenditures and vehicle purchases, key end markets for the metal.

Copper prices reached a new peak in March but sharply declined in response to tariff news.



Source: Tradingeconomics





**Global copper supply is expected to decline, source: S&P**

Copper price forecasts for 2025 range between **USD 4.5–4.8 per pound**, representing a **10% increase** compared to the 2024 average.

**Fluorite 9% 799 60%**

**Average annual GPM of 60%**

The fluorite market is expected to remain stable on both the supply and demand sides in 2025, with prices forecasted to range around **USD 450 per ton**, representing a **slight 3% YoY increase**.

**Bismuth 1% 14 16%**

Bismuth prices are expected to fluctuate in 2025 due to supply constraints and the impact of China's export restriction regulations on the metal.

**GTJA COMMENT AND RECOMMENDATION**

Based on the above analysis, we project that MSR will achieve revenue growth of approximately **VND 15,300 billion** in 2025, corresponding to a **7% YoY increase**. While the pressure from interest expenses will ease, profit margins will remain thin due to high depreciation and interest costs, meaning the company is unlikely to break even in 2025. We estimate a **pre-tax loss of approximately VND 700 billion** for 2025.

In the medium and long term, MSR's business operations are expected to benefit from strong demand for its key product lines. In particular, we anticipate better profitability from the tungsten segment as the company moves toward deeper processing and better utilization of its recycled product lines. The resumption of blasting activities at the Nui Phao mine, authorized since mid-2024, and the implementation of improved mining management practices are expected to enhance MSR's mining efficiency.

Regarding concerns about the mine's operational lifespan, as mentioned above, Nui Phao's reserves are projected to last until **2034-2035**. MSR is implementing various strategies to address this. For example, in 2024, they applied for a permit to expand operations by an additional **28 million tons** of reserves at the Nui Phao mine, demonstrating efforts to extend the mine's life. Additionally, MSR is focusing on producing higher-value products from tungsten, such as tungsten carbide and other tungsten products, to serve industries like electronics, automotive, and aerospace. This allows the company to maintain economic value even as its mining output declines. For instance, in 2022, they achieved record revenues from tungsten production and processing. Furthermore, agreements with Mitsubishi Materials Corporation Group highlight MSR's efforts to build a global partnership network to secure stable supply and markets, reducing risks from dependency on a single mine.

**RECOMMENDATION:**

- **Assessing expectations for the company's transformation**, including the prospect of turning profitable in the next three years, its deeper involvement in tungsten processing, and the tungsten supply chain, we have determined a **fair value** for MSR stock at **VND 17,500 per share**.
- Currently, MSR's **BVPS** is **VND 11,066 per share**, corresponding to a **P/B ratio of 1.44** at the closing price of **VND 16,000** on April 24, 2025, which is relatively high.
- We recommend a **"NEUTRAL"** rating for MSR stock.

**Other factors:**

- **MSR benefits from supply chain surprises**, including China's export restrictions on metals (including tungsten (wolfram) and bismuth).
- **Commodity stocks** are often seen as a safe haven in a high-inflation environment. Given the uncertain impact of tariffs, global inflation is expected to rise significantly in 2025. As a result, MSR's stock could benefit from this investment strategy.

**IV. INVESTMENT RISKS**

- **President Trump's tariff policy** has created uncertainty in the global economic outlook, which could indirectly affect demand for MSR's products.
- **MSR is currently traded on the UPCOM exchange**, with a price fluctuation limit of **±15% per session**. The concentrated shareholder structure results in low trading volume (weak liquidity), making investment activity challenging.



## STOCK RATING

Benchmark index: **VN – Index.**

Investment horizon: **6 to 18 months**

SUGGESION	DEFINITION
<b>Buy</b>	Expected rate of return $\geq 15\%$ Or firm/major with a positive outlook
<b>Accumulation</b>	Expected rate of return from 5% to 15% Or firm/major with a positive outlook
<b>Neutral</b>	Expected rate of return from -5% to 5% Or Company/with a neutral outlook
<b>Underweight</b>	Expected rate of return from -15% to -5% Or firm/major with a negative outlook
<b>Sell</b>	Expected rate of return $< -15\%$ Or firm/major with a negative outlook

## MAJOR RATING

Benchmark index: **VN – Index**

Investment horizon: **6 to 18 months**

Rating	Definition
<b>Outstanding</b>	The industry 's average rate of return exceeds the VN-index by more than 5% Or positive industry outlook
<b>Neutral</b>	The industry's average rate of return relative to the VN-index ranges from -5% to 5% Or neutral industry outlook
<b>Inefficient</b>	The industry's average rate of return smaller than the VN-index by about -5% Or negative industry outlook

## RECOMMENDATION

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MSR VN

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