

DEEPLY DISCOUNTED VALUATION

Consumer – Retail | BSC Research

VALUATION

BSC reiterates its **STRONG BUY** recommendation on **MSN** with a 12-month target price of **VND 98,900/share**, implying **45% upside** from the 8 Sep 2026 closing price, based on a sum-of-the-parts (SOTP) valuation. The target price is revised by 1.5% from the previous target, as the higher valuation of MSR on stronger operating results partly offsets a higher holding-company discount amid persistently elevated interest rates ([link](#)).

INVESTMENT THESIS

I. Entering a phase of earnings realization at the parent-company level

NPAT-MI grew 106% YoY in 2025 and is expected to increase +143% YoY / +24% YoY in 2026/2027, respectively.

- **Consumer businesses continue to gain market share** by capturing the shift toward modern and transparent retail channels while continuously improving operations, supporting steady profit growth of +15% YoY / +23% YoY.
- **Minerals (MSR) is emerging as a new earnings growth engine, with its contribution to group PBT expected to rise from 1% in 2025 to over 40% in 2026–2027**, driven by sharply higher selling prices and operating optimization following restructuring.

BSC also expects Masan to cover most of its financial obligations to investors in 2027, supported by improving core operating cash flow and flexible parent-company funding options. ([link](#))

II. Forward P/E at 8.4–10.4x implies an attractive entry point.

MSN is trading at a deep discount versus its five-year average of above 32x. Notably, the current valuation reflects only around 70% of the market value of its existing businesses based on ownership stakes (MCH + MSR), net of net debt. **Re-rating potential remains in the medium term as MSN demonstrates sustainable profitability and increases value attributable to parent shareholders through cash dividends, share buybacks and other capital-return measures.**

CATALYST: (i) Improving MSR operating efficiency and cash flow, supporting settlement of PE investor obligations in 2026–2027; (ii) Deleveraging, a simpler operating structure, and continued improvement in business efficiency.; (iii) Potential foreign fund inflows following Vietnam's stock-market upgrade.

7M/2026 Highlights Information (details on page 2):

- MSN's BOD proposes raising the plan in line with positive business results for the first half of 2026 (achieving 53% to 79.6% of the original targets).
- Net revenue for the first seven months of 2026 reached 61–65% of the proposed revenue target, while the peak business season falls in the second half of the year.

RISKS: (i) Weaker consumer demand and higher interest expense amid elevated rates, as well as tungsten-price volatility; (ii) Financial obligations to PE investors in 2026–2027.

	2024	2025	2026e	2027f
Net revenue	83,178	81,621	118,896	145,888
NPAT-MI	1,999	4,108	9,986	12,394
EPS (VND)	1,315	2,702	6,568	8,151
EPS growth	377%	106%	143%	24%

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Company Information

Current price (VND):	68,400
Shares outstanding (Bn):	1.5
Market cap (VND Bn):	104,002
30-day ADTV (Mn):	4.0
Foreign ownership:	24%/100%



I. 7M2026 HIGHLIGHTS AND KEY EVENTS

Summary: (1) 1H2026 results demonstrate management's commitment to earnings delivery; (2) key updates include a proposed upgrade to the 2026 business plan and strong 7M2026 revenue.

1. 7M/2026 earnings updates

In 2Q2026, net revenue and parent-company NPAT (Post-MI) reached VND 28,118bn (+53.5% YoY) and VND 3,125bn (+202.8% YoY), respectively.

- **WCM (revenue +27.4% YoY; Pre-MI NPAT up +14x):** growth was driven by accelerated store openings (324 net new stores in 2Q, bringing the total to 5,141), tracking the full-year target, and revenue/store growth of 13.5% YoY, led by new customer traffic. Rural minimarts remained the key growth engine (LFL +26%). 2Q NPAT margin improved 1.1ppt YoY, with more than 90% of new stores reaching store-level EBITDA break-even within the quarter.
- **MCH (revenue +14.2% YoY; Pre-MI NPAT +10.2% YoY):** maintained double-digit growth, mainly driven by volume (+10% YoY) and price increases from Apr 2026 (+4% YoY) after completion of distribution-channel restructuring. Key drivers included premiumization (CHIN-SU +27%, Omachi +17.8%), the new HPC segment (+32.5%) and international business (+24%). NPAT margin declined slightly by 0.8ppt due to higher logistics costs, which rose from 3.2% to 4.4%.
- **MML (revenue +14.7% YoY; Pre-MI NPAT -23.2% YoY):** chilled meat (+15.2%) and processed meat (+34.7%) offset a 6.6% decline in the farming segment, supported by WCM channel synergies (+30.5%) and new products (Heo Cao Boi +21.2%, Ponnies +45.5%). Excluding a one-off gain in the prior year, underlying NPAT margin improved to 4.8ppt YoY.
- **MSR (revenue +404.1% YoY; Pre-MI NPAT of VND 1,666bn versus VND 6bn a year earlier)** posted record profit, supported by an average 2Q2026 APT price of USD 3,191/mtu (+656% YoY and twice the plan) and significantly better production efficiency from imported ore and operating optimization.
- **In 1H2026, Pre-MI NPAT reached VND 5,773bn, completing around 50%–57.7% of the upgraded full-year financial targets.** The outperformance was driven by MSR amid surging tungsten prices, together with broad-based growth across the consumer platform (+21% YoY).

BSC view: MSN's 2Q results exceeded our expectations, mainly because MSR performed better than forecast on stronger pricing and higher third-party ore volumes, more than offsetting MCH's slower-than-expected recovery, as the Apr 2026 price increases had not yet been fully reflected in results and logistics costs remained elevated.

2. Other notable updates:

MSN's Board proposed an upward revision to the 2026 consolidated business plan, reflecting strong 1H2026 performance, which had already achieved 53%–79.6% of the previous targets:

- Base case: net revenue of VND 98,000bn (+20% YoY) and Pre-MI NPAT of VND 10,000bn (+48% YoY).
- High case: net revenue of VND 105,000bn (+29% YoY) and Pre-MI NPAT of VND 11,500bn (+70% YoY).

Profit & Growth Pillars:

- MCH remains a resilient earnings anchor, with EBITDA growth of +9% to +14%.
- WCM EBITDA is expected to grow +33% to +50%, supported by 1,000–1,500 targeted net new stores.
- MSR EBITDA is expected to grow +89% to +121%, reducing standalone net debt/EBITDA to 1.7x and creating room for cash dividends from 2027.

7M2026 net revenue reached VND 63,846bn (+46% YoY), completing 61%–65% of the proposed revenue target despite the peak selling season being concentrated in 2H. Growth was led by (i) Masan High-Tech Materials, with revenue at 3.75x the prior-year level, and (ii) the Consumer ecosystem, up 14% YoY.

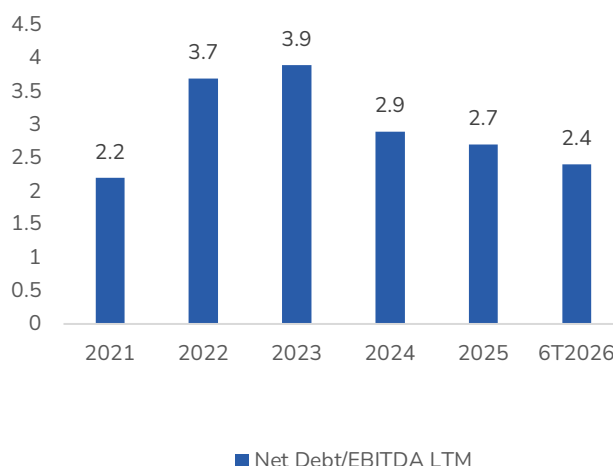
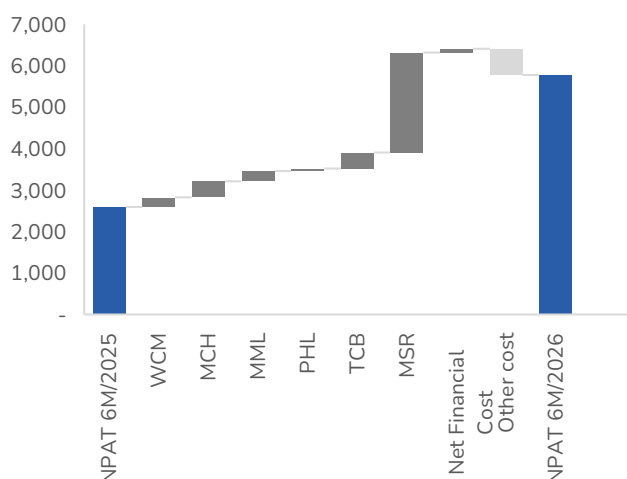
- **Consumer:** net revenue of VND 48,753bn (+14% YoY), with WinCommerce +27%, Masan Consumer +13%, Masan MEATLife +16%, and Phuc Long +27%.
- **Minerals (MSR):** revenue of VND 15,601bn, 3.75x YoY, driven by elevated tungsten prices. Fastmarkets average APT price reached USD 3,137/mtu amid constrained supply and AI-related demand.

Other updates

- Record USD 750mn international loan raised: a six-year unsecured syndicated facility from 15 foreign banks. USD 490mn is for refinancing existing debt and USD 260mn is for liquidity reserves. The margin fell sharply from 3.5% in 2023 to 1.8%, implying multi-million-dollar interest savings.
- More than VND 1,000bn in dividends from MSR: Masan High-Tech Materials approved a 10% interim cash dividend (VND 1,000/share), totaling VND 1,100bn. With a 92.9% stake in MSR, MSN will receive most of the distribution, materially strengthening available liquidity.

Chart 1: 1H2026 NPAT was driven by exceptional MSR growth and steady Consumer growth (VND bn)

Chart 2: Net debt /EBITDA remains on track to stay below 2.0x in 2026



Source: BSC Research

II. 2026 – 2027 Business Outlook

Update versus our previous report: (1) higher expectations for MSR's contribution to group earnings as tungsten prices have risen sharply and remained elevated, offsetting higher-than-expected interest expense; and (2) a more positive view on MSN's ability to meet put-option-related obligations.

Revenue of business segments (*)	2026F	%Thay đổi	2027F	
1. MCH	32,085	1%	36,221	2026E: BSC raises its forecasts materially, with revenue and NPAT now 25% and 57% above our beginning-of-year estimates, respectively, and 11% / 15% above MSN's high-case scenario. The key change is a major upgrade to MSR. - MSR: profit forecast rose roughly fivefold versus the previous estimate based on 2Q2026 results and strong APT pricing. Assumptions include (i) average APT market price raised from USD 700–800/mtu to USD 2,800–3,100/mtu; and (ii) tungsten-product sales volume +15%, supported by imported ore and better plant efficiency. These changes lift GPM by 5.2ppt versus the prior estimate. - Consumer businesses: growth expectations broadly unchanged at around +15% YoY. - Finance costs: +9%, reflecting a higher and more persistent interest-rate environment, around 1.5–2.0ppt above BSC's prior assumptions.
GPM	45.1%	-1.2 đpt	45.1%	
2. WCM	47,041	3%	58,782	
GPM	24.0%	2.5 đpt	23.8%	
3. MML	6,441	2%	6,989	
GPM	35.7%	1.0 đpt	35.4%	
4. MSR	30,998	228%	41,449	
GPM	24.6%	5.2 đpt	22.3%	
Net Revenue	118,896	25%	145,888	
%YoY	45.7%		22.7%	
Gross Profit	36,805	29%	43,154	2027F: BSC expects growth off a high base, with net revenue +23% YoY and NPAT +24% YoY. - MSR's contribution to group PBT is expected to rise from 42% to 44% as APT prices remain elevated and sales volumes continue to grow. - Consumer revenue +23% YoY, led by WCM store maturation and operational optimization, while MCH remains a core earnings pillar supported by premiumization and brand repositioning.
GPM	31.0%	1.0 đpt	29.6%	
Selling Expenses	(16,732)	9%	(19,767)	
G&A Expenses	(4,375)	9%	(5,169)	
SG&A/Rev	17.8%	-2.6 đpt	17.1%	
EBIT	15,698	71%	18,218	
EBIT Margin	13.2%	3.6 đpt	12.5%	
Net financial income/expenses	(6,341)	10%	(6,232)	
Other income + JV/associate profit	5,574	-1%	6,546	
PBT	14,931	53%	18,532	
NPAT	13,139	57%	16,308	
Parent-company NPAT	9,986	94%	12,394	
%YoY	143%		24.1%	
NPAT Margin	11.1%	2.3 đpt	11.2%	
Diluted EPS	6,568		8,151	

Note: (*) BSC uses external sales revenue, based on MSN's 2025 consolidated financial-statements notes.

Source: MSN, BSC research

Key 2027 outlook drivers: (1) Minerals (MSR) and (2) Consumer (WCM + MCH + MML).

(1) Minerals outlook (MSR): refer to the MSR report

- Revenue +34% YoY**, driven by APT prices remaining above USD 3,000/mtu and higher sales volumes supported by imported supply.
- Operating margin** expected to remain historically high at **21.3% (-2ppt YoY)**, reflecting processing-business assumptions.

(2) Consumer outlook including WCM, MCH & MML

WCM outlook

- **Net revenue +26% YoY**, supported by (i) 1,357 net new stores, taking the network to 7,396 stores versus an estimated 6,039 at end-2026, with rural minimarts continuing to expand in the North and Central regions and increasing coverage in the South; and (ii) average revenue/store +1%, supported by maturing 2025–2026 openings and continued traffic gains from channel shifts and assortment improvements.
- **Operating margin is expected to improve from 2.1% to 2.4% on chain-wide operating optimization.** More than 80% of new stores are expected to achieve positive store-level EBITDA, with average revenue/store at around 60%–70% of mature-store levels and capex per store down about 15% versus the pre-2024 period.

MCH outlook

- **Revenue +13% YoY**, supported by pricing and market-share gains across most categories. Seasonings and convenience foods (+12%) remain resilient on a high base due to premiumization; growth categories include HPC (+25% YoY), supported by Retail Supreme's direct coverage, and beverages (+18% YoY) on effective brand repositioning.
- **Operating margin expected to remain around 22%**, as favorable mix and selective price increases offset elevated input costs.

MML outlook

- **Revenue +12% YoY**, with a rising contribution from fresh and processed meat (>20% YoY) as branded innovative products gain share and WCM synergies improve distribution, offsetting continued contraction in farming due to live-hog prices down 5% YoY and higher input costs.
- **Operating margin is expected to decline slightly by 1ppt YoY** due to elevated inputs and higher spending on product innovation, brand awareness and distribution expansion.

Based on available liquidity and the constructive 2026–2027 earnings outlook, BSC believes MSN can cover most of its 2027 put-option obligations to PE investors.

MSN's 2027 put-option obligation to PE investors is estimated at around USD 700mn (approximately VND 18,398bn at an assumed USD/VND rate of 26,270, with a +/-1%–2% sensitivity). Our assessment of cumulative cash resources through end-2026 indicates proactive financial management and substantial coverage of the obligation.

1. Existing liquidity resources:

As of Aug 2026, MSN had estimated available liquidity of VND 11,918bn, including core operating cash flow, MCH dividends received and undrawn international facilities, covering about 65% of the total obligation.

2. Additional year-end 2026 financial buffer:

Parent-company liquidity should be further strengthened by expected cash dividends from MCH (VND 4,511bn) and MSR (VND 1,022bn), with cumulative cash varying by scenario.

- High-stress scenarios: minimum obligation coverage remains within a relatively safe 84%–103% range.
- Base and positive scenarios: cumulative cash resources are estimated at VND 22,363–25,863bn, equivalent to 122%–141% coverage. The resulting VND 3,917–7,417bn surplus provides strategic flexibility.
 - **Settle legacy PE obligations:** capacity to fully settle the put option and create time to finalize legal procedures with new strategic PE partners.
 - **Deliver shareholder commitments:** preserve core operating cash flow, continue deleveraging, and pave the way for cash dividends from 2026.

Key variables to monitor:

- Refinancing risk: persistently high rates increase funding costs and the required IRR for new PE capital; complex transaction structures could pressure the USD 700mn refinancing objective.
- Debt-maturity and operating risk: the put-option maturity overlaps with other debt/bond maturities, while performance of core businesses remains an important variable over coming quarters.

Estimated PE obligation (USD mn)	700			
Assumed USD/VND	26,270			
Estimated PE obligation (VND bn)	18,389			
Data as of	26/08/2026			
Core consolidated operating cash flow, LTM	3,283			
International loan – liquidity reserve	6,830			
MCH dividends received	1,804			
Total available liquidity	11,918			
Current coverage ratio	65%			
2026 scenario	Conservative 2	Conservative 1	Base	Positive
Estimated full-year core operating cash flow	<u>3,000</u>	<u>6,500</u>	<u>10,000</u>	<u>13,500</u>
International loan – liquidity reserve	6,830	6,830	6,830	6,830
MCH dividends (2026E)	4,511	4,511	4,511	4,511
MSR dividends (2026E)	1,022	1,022	1,022	1,022
Total cash resources	15,363	18,863	22,363	25,863
Coverage ratio	84%	103%	122%	141%

Source: BSC Research

III. VALUATION VIEW.

BSC reiterates STRONG BUY on MSN with a 12-month target price of VND 98,900/share, implying 45% upside from the 8 Sep 2026 closing price. Our SOTP-based target is 1.5% lower than the previous target.

- MSR fair value is raised 56.5% versus our previous valuation, reflecting demonstrated 1H2026 operating performance, APT prices remaining near historical highs, and an updated target P/E to reflect market conditions.
- We apply more conservative assumptions to reflect: (1) a higher interest-rate environment, lower market liquidity and capital absorption from IPOs; (2) MSN's obligation to PE investors in 2027; and (3) TCB being treated as a strategic investment, leading us to reduce the target P/B from 1.3x to 1.0x.

SOTP valuation (VND bn)	Bear 2	Bear 1	Base	Bull	Bull 2
Consumer (*)	116,409	127,595	139,900	146,668	153,774
Minerals (**)	32,659	40,414	46,911	55,922	63,676
TCB (target P/B = 1.0x)	37,552	39,430	41,401	43,471	45,645
Total	186,621	207,439	228,213	246,061	263,095
(+/-) Net debt and others	(32,712)	(32,712)	(32,712)	(32,712)	(32,712)
Enterprise value	153,908	174,727	195,501	213,349	230,383
EV after holding-company discount	118,391	134,405	150,385	164,115	177,218
Target price (VND/share)	77,900	88,400	98,900	107,900	116,600
Upside	14%	29%	45%	58%	70%
Current price	68,400				

(*) Consumer includes MCH, WCM, MML and PHL, excluding the impact of intra-group transactions on reported earnings.

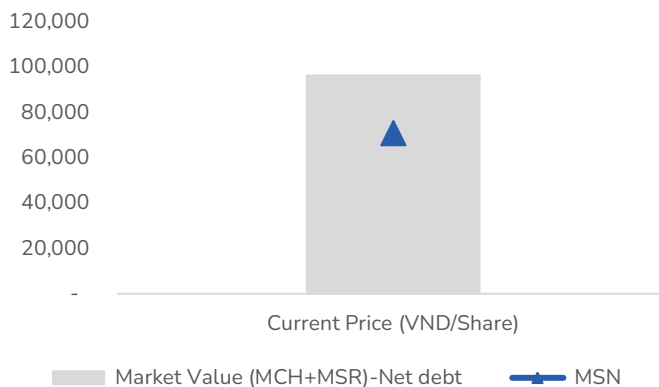
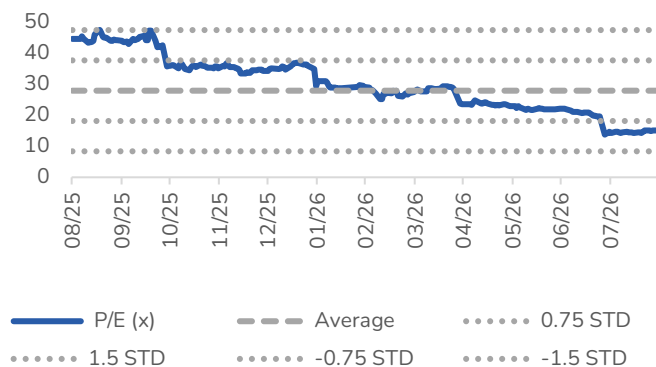
(***) TCB target P/B is reduced from 1.3x to 1.0x to better reflect its nature as a strategic investment.

Source: BSC Research

Share-price performance view: MSN has corrected by more than 24% from its Jan 2026 peak and has recovered only 7% since Jul 2026, underperforming other consumer-retail names that have rebounded 15%–30% from their lows. This may reflect concerns over PE-related debt obligations, elevated leverage and the sustainability of MSR's earnings contribution. However, with earnings continuing to improve strongly and 2026–2027 forward P/E at 8.4–10.4x — deeply discounted versus history and reflecting only a little over 70% of the market value of (MCH + MSR) less net debt — BSC views the stock as suitable for a medium-term investment horizon.

Figure: Valuation remains deeply discounted versus history

Figure: MSN retains meaningful medium-term growth potential (VND bn)



Source: BSC Research

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BSC's BUY, SELL and HOLD recommendations are based on expected total return, defined as the sum of the difference between the target price and the closing price on the recommendation date plus the expected dividend yield.

Rating	Definition
STRONG BUY	Expected 12-month total return of 30% or higher
BUY	Expected 12-month total return of 15% to 30%
HOLD	Expected 12-month total return of -10% to 15%
SELL	Expected 12-month total return below -10%

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