

March Report 2025

MP Materials (MP)

Sean Murphy



What is MP Materials?

MP Materials is a US-based company that owns and operates the Mountain Pass rare earth mine in California, which is the only Rare Earth mining and processing site in North America. The Mountain Pass mine was originally operated by Molycorp but went bankrupt in 2015 due to declining rare earth prices and operational challenges. MP Materials acquired the mine in 2017 and restarted production, initially exporting rare earth concentrate to China for processing. MP Materials went public in 2020 to raise capital to develop its domestic rare earth processing capabilities. MP Materials is responsible for approximately 15% of the rare earth materials manufactured annually.

Significance of Rare Earth Materials:

The Rare Earth materials contained in the Mountain Pass mine range from Lanthanum to Dysprosium. While it isn't necessary to fully understand the elemental properties, it is important to understand what these elements are used for. The natural Ores extracted and processed from the Mountain Pass mine are key for advanced technology that is crucial for future development. Just a few applications for the materials mined by MP Materials are rechargeable batteries, night vision goggles, camera and telescopic lenses, automotive catalysts, LED lighting, EV motors, mobile devices, wind turbines, medical devices, lasers, and most notably countless military applications.

Trade War with China:

As it currently stands, China is the dominant force in the rare earth market, controlling 60-70% of global production and nearly 90% of processing capacity. The US still stands as extremely reliant on China for the processing of these materials. With recent tariffs levied against China and China's aggressive response has caused the U.S. to look to build up domestic rare earth industries, and MP Materials owns the only rare earth mining and processing site in North America, creating high demand for domestic material usage.

Government Investment:

In February 2022, the Department of Defense awarded MP Materials 35 million dollars to build U.S. heavy rare earth separation capacity facilities. This was during the Biden administration and after the investment was announced, share prices gapped up nearly 50% in just over a month making all-time highs. In August of 2024, MP Materials was awarded 58.5 million dollars to advance its construction of America's first fully integrated rare earth magnet manufacturing

facility. Since the announcement, the share prices ran up 150%. This announcement was prior to Trump's election and the current trade war we have entered with China. Since the government has been heavily investing in MP Materials prior to this trade war, it seems clearly obvious that the U.S. would further their investment into MP Materials as they look to build up domestic production of rare earth materials.

Our Outlook:

The rare earth material industry is going to continue to grow as technology advances. China has set itself apart as the leader in the global mining and processing of these materials. The U.S. continues to rely on China for the processing and export of these rare materials and this reliance is something that the U.S. is looking to get away from as soon as possible. MP Materials owns the only rare earth material mining and processing facility in North America and has seen massive government investment in the past that have caused massive spikes in their trading price. As the trade war escalates, and the demand for these rare materials continues to grow, we believe that MP Materials is a high-potential growth stock that should be on your radar for the coming months.

Micron Technology (MU)

Jack Boldrin



Overview

Micron Technology, Inc. (NASDAQ: MU) is a global semiconductor leader that manufactures DRAM, NAND, and NOR memory for AI, cloud, mobile, and automotive applications. Micron was founded in 1978 and is based in Boise, Idaho. It is the fourth-largest semiconductor manufacturer, owns more than 50,000 patents, operates 11 manufacturing sites, and has 45,000 employees in 17 nations.

Micron has four segments: Compute & Networking, Mobile, Storage, and Embedded, and markets products under the Micron and Crucial brands. With the exclusive capability to provide all three of the major memory types, Micron provides industries ranging from cloud computing to autonomous vehicles.

In the most recent quarter, Micron recorded \$8.05 billion in revenue and \$1.58 billion in net income during Q2 FY2025, which confirms its strong financials. Micron competes with Samsung, SK Hynix, and Western Digital, and is spearheading innovation in storage and memory for next-generation computing.

Key Financials and Their Implications

- **Forward PE:** 10.96
 - For a tech business, Micron's projected P/E of 10.96 is very low, indicating that, assuming earnings projections are accurate, the company may be undervalued
- **Earnings Per Share (EPS):** 4.15



- Micron Technology's 4.15 Earnings Per Share (EPS) indicates that the firm is recovering incredibly well after a tough FY 2023. With AI, 5G, and cloud computing fueling demand, the firm is in for significant earnings growth over the next few years
- **Current and Quick Ratios:** 3.13 and 1.87
 - The current ratio of Micron suggests strong liquidity. They are in a strong position to cover their short-term obligations without additional capital gain. The quick ratio indicates highly liquid assets with comfortability to meet their obligations without relying on inventory sales.
- **Gross Profit Margin:** 36.79%
 - This ratio shows that Micron Technology has a strong core business and strong pricing power, which allow the company to achieve high profitability while efficiently controlling manufacturing costs.

Market History and Landscape

The semiconductor industry is highly cyclical and costly, where technology trends, economic cycles, and supply factors have driven demand volatility. Micron faces competition for this business from Samsung, SK Hynix, and Western Digital, which are all competing to lead in memory and storage solutions. One of the key growth drivers for the industry is demand growth for high-bandwidth memory (HBM) for AI solutions, cloud computing, and data center applications, where Micron has seen all-time DRAM sales in Q2 FY2025. To sustain its leadership, the company is also investing in next-generation 1-gamma DRAM technology and expanding production capacity to meet growing demand in 5G, edge computing, and autonomous vehicles. In addition, Micron is handling supply chain complexities and collaborating strategically to build more resiliency in a market dominated by geopolitics, trade policies, and cycles of innovations.

Future Performance Outlook

Business Outlook

The following table presents Micron's guidance for the third quarter of 2025:

FQ3-25	GAAP ⁽¹⁾ Outlook	Non-GAAP ⁽²⁾ Outlook
Revenue	\$8.80 billion ± \$200 million	\$8.80 billion ± \$200 million
Gross margin	35.5% ± 1.0%	36.5% ± 1.0%
Operating expenses	\$1.27 billion ± \$15 million	\$1.13 billion ± \$15 million
Diluted earnings per share	\$1.37 ± \$0.10	\$1.57 ± \$0.10

Micron Technology, Inc. expects FQ3-25 revenue to rise to \$8.80 billion ± \$200 million, up 9.3% from \$8.05 billion in FQ2-25, on the strength of strong demand for DRAM and NAND. Gross margins will fall modestly to 35.5% (GAAP) and 36.5% (non-GAAP) from 36.8% and 37.9%. Operating expenses will rise to \$1.27 billion (GAAP) and \$1.13 billion (non-GAAP), up from \$1.19 billion and \$1.046 billion. Diluted EPS is projected at \$1.37 (GAAP) and \$1.57 (non-GAAP), compared to \$1.41 and \$1.56 in FQ2-25, representing steady earnings.

Chevron Corporation (CVX)

Chase Boddison



Overview:

Chevron is an American Energy company, whose focus is on oil and gas. Recently they have been innovating the energy field with new emissions capturing methods and the implementation of new technologies that allow them to produce more oil for cheaper. They have recently acquired the oil company Hess and are in the works of gaining access to the Guyana oilfields in the Atlantic Ocean, which has yielded great returns for competitors like Exxon. With the US markets in a bit of a panic right now, despite this Chevron has still managed to grow 7.94% YTD and is expecting solid growth throughout the year. Chevron is viewed to be a safe investment in the current economic state of the country as oil demand continues to grow, especially in the US with manufactures beginning to return.

Key Metrics:

- **Market Cap:** 275.252B
- **2024 Profit Margin:** 9.03%
- **2024 Revenue:** 195.52B
- **P/E ratio:** 11.6 with an industry average of 13.65, signifying a slight under evaluation of Chevron and their oil holdings

These metrics show that The Chevron Corporation is thriving and has a growing revenue that will only get larger as they continue to invest in new technologies to eliminate operation costs.

Outlook:

Chevron has a promising outlook as the energy sector keeps growing. The steel tariffs coming into effect will cause some level of pain to the operation costs of oil companies like Chevron. It's still unclear as to how much these steel tariffs will hurt companies like Chevron, because the US government has shown signs of incentivizing them with tariff reliefs. They most recently waived tariffs on 80 Tons of steel piping for both Chevron and Shell from a company called Nippon Steel ([NPSCY](#): OTCMKTS) based out of Japan. With possibilities of tariff relief already taking shape the industry might not be affected as much as analysts initially theorized.

Risks and Considerations:

As the outlook of the economy remains riddled with uncertainty, Oil futures continue to grow. Considering this, the performance of these massive corporations like Chevron are largely dependent on three key elements: operation costs, material costs, and productivity level. The operation costs of these large companies have continued their downward trend due to new technological advancements, while the productivity level continues to rise due to those same

advancements. The current largest factor of Chevron's performance is how cheap they can get the price of steel piping down too. As per *The Wall Street Journal* Trump told oil executives last week during a meeting at the White House that "he didn't want to grant exceptions on tariffs, according to a person who attended the meeting, but said he would consider occasional ones." Chevron has already been granted one exception for 80 Tons of steel piping from Nippon Steel based out of Japan; the frequency of exceptions like this will largely determine how the company's future performance will play out.

Visa Incorporated (V)

Paul Reilly



Overview

Visa is an American multinational card processor and payment corporation founded in 1958. The company facilitates electronic transfers on a global scale, most commonly through Visa branded credit and debit cards. Their processing network Visa Net is responsible and capable of handling hundreds of billions of transactions in a year. Visa has other networks in place that improve the efficiency and legitimacy of its transaction services such as Visa DPS that provides protection to card holders against fraudulent activity, data management, and a suite of digital solutions. Visa's services are utilized all around the world and are very prominent in American business.

With the company's extensive network and regulatory influence shaping the payment industry Visa holds dominance in the payment technology sector and offers long term stability due to its consistent platform and consumerism. Visa is currently the biggest payment network with 40% of the global market.

Financial Metrics

- **Market Capitalization:** 640.045 billion
- **PE Ratio:** 33.45, this number sits below the average price to earnings ratio for the payment technology sector of 43.9, signaling possible undervaluation.

Visa and current economic conditions

The tariffs imposed by President Donald Trump have sparked market instability and lowered the forecast for large indexes such as the S&P 500. This threat is primarily derived from the increased costs that American consumers have already seen and can continue to experience.

In Visa's history it has displayed a strong correlation to consumer trends and is tightly related to macroeconomic conditions such as inflation. Because of expensive imports and exports, everyday inelastic items that have a demand that are relatively unresponsive to price fluctuation have skyrocketed. These products being produce, alcohol and auto parts as Mexico is a key importer of these goods and now have a 25% tariff in place. Businesses pass the tariffs on to consumers in the form of higher priced goods. With inflation currently hovering around 2.8%



and the drastic measures that Trump has taken in attempt to increase American based manufacturing, it can be expected that consumers in the United States rely on credit, cash advances, and the buy now pay later method more than ever.

Revenue and Earnings Expectations

In the last three months of 2024 net revenue for Visa increased 10% year over year, the ten percent can not only be attributed to general growth in the company as they have put focus into expanding their services internationally but also consumers reaction to higher priced goods. Since the end of 2024, prices have not improved but worsened, this could indicate that Visa's revenue has room to run in 2025 and years to come due to heavy consumer reliance on credit. For the end of the current quarter Visa is expected to post earnings of \$2.68 a share, a 6.8% increase for the quarter a year ago.

Digital Bridge (DBRG)

Daniel O'Hara



Overview

Digital Bridge Group (DBRG) is a global investment firm primarily focused on digital infrastructure, with assets spanning data centers, wireless towers, fiber networks, and edge computing. A significant portion of its portfolio consists of hyperscale data centers, which provide large-scale facilities for cloud service providers, enterprises, and telecom operators. Notable investments include Vantage Data Centers, Edge Connex, Switch, and Databank, all of which operate extensive data center portfolios in high-demand markets across North America, Europe, and Asia.

Key Financials and Their Implications

- **Forward P/E Ratio:** Simply Wall St estimates DBRG's forward P/E at 65x.
- **Market Cap:** (DBRG) has a market cap of \$2.1 billion.
- **Quick Ratio:** 7.14 indicating that the company's assets are 7.14 times the size of their liabilities
- **Earnings per Share (TTM):** Earnings per share for the last 12 months is \$0.07. DBRG has an extremely low EPS due to their low profitability.
- **Revenue (TTM):** In the last 12 months, DBRG had revenue of \$595.14 million. Despite a 27% decrease in revenue in 2024, However, the net loss narrowed from approximately \$185.3 million in 2023 to about \$70.5 million in 2024, a reduction of roughly 61.9%, indicating improving operational performance.

Why BayMar is Convinced



While DBRG has underwhelming financial metrics, their holdings are massive. On the flip side they have close to \$96 billion in assets and other holdings. As of 2022, the company had an operational presence in 14 countries. Since then, Digital Bridge has continued to expand its global footprint through various acquisitions and investments. Private Equity strategies focus on reinvestment, so low profits are nothing new to the PE sector. Growing demand for AI further acquisitions as well as reducing operational costs will all increase profit margins for DBRG. If you're still unconvinced based on the past performance, let the professionals change your mind "Based on 8 Wall Street analysts offering 12-month price targets for Digital Bridge Group in the last 3 months. The average price target is \$16.56 with a high forecast of \$20.00 and a low forecast of \$13.00. The average price target represents a 77.87% change from the last price of \$9.31." (TIPRANKS 1)

Key Portfolio Holdings

- **Vantage SDC:** Formed in July 2020, Vantage SDC is a portfolio of stabilized hyperscale data centers located across strategic markets in North America. This strategic partnership between a Digital Bridge-led investor group and Vantage Data Centers enhances Digital Bridge's presence in the data center sector.
- **Vertical Bridge:** As one of the largest private owners, operators, and managers of wireless communication infrastructure in the United States, Vertical Bridge significantly contributes to Digital Bridge's holdings in the telecommunications infrastructure sector.
- **Zayo Group Holdings:** Zayo is an industry leader of fiber optic infrastructure development to businesses and service providers. In March 2025, Zayo acquired Crown Castles fiber solutions business for close to \$4.25 billion, with a goal to enhance its connectivity solutions.

These assets are crucial to AI advancement and data storage unless you think that we will drastically reduce our bandwidth usage as a population. J.P. Morgan and analyst Richard Choe have both cited the anticipated value of Digital Bridge's holdings with the growth of the AI industry and increased demand.

Good luck and thank you for reading. We apologize for no individual crypto report this month.

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