

17/07/2025

RECOMMENDATION	HOLD
Fair price	96,800
Current price	88,000
Upside/downside	10%

STOCK INFORMATION

Outstanding shares (mil)	337.91
Free float (mil)	270.32
Market cap. (billion VND)	28,620.57
3m avg. volume (shares)	1,142,186
Foreign ownership (%)	48.82%
First listing date	23/03/2009

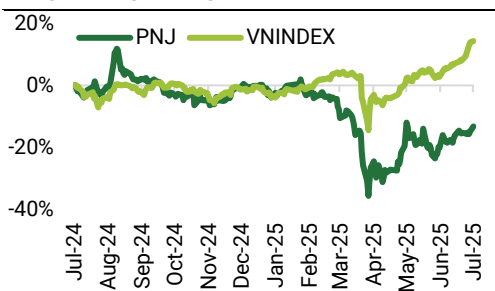
SHAREHOLDER STRUCTURE

Dragon Capital Vietfund Mgt JSC	6.0%
T.Rowe Price Associates, Inc	5.2%
Sprucegrove Investment Mgt Ltd	4.8%
Others	84.0%

KEY ATTRIBUTES

TTM EPS (VND)	6,105
BVPS (VND)	34,715
Debt/Equity	0.5
ROA (%)	13.1%
ROE (%)	18.6%
P/E	13.7
P/B	2.4
Dividend yield (%)	2.4%

PRICE PERFORMANCE



SƠ LƯỢC VỀ CÔNG TY

PNJ is Vietnam's leading jewelry company, operating a network of 429 stores across 58 provinces and cities. The company currently operates jewelry segments targeting different customer groups, with retail jewelry consistently accounting for the largest share of both revenue and profit.

ANALYST(S)

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NEW CHAPTER FOR JEWELRY INDUSTRY

- In 1Q2025, PNJ recorded a rather subdued business performance, with Total Revenue down 23.2% YoY to VND 9,759 bn and NPAT down 8.1% YoY to VND 678 bn, completing 31% and 35% of the 2025 full-year targets, respectively.
- The amendment of Decree 24/2012/ND-CP opens up expectations for a more flexible, efficient, and transparent gold market management policy: The State Bank of Vietnam is finalizing the draft amendment to Decree 24/2012/ND-CP on gold trading management, which is expected to be submitted to the Government by July 15, 2025. One notable proposal is the removal of the State's monopoly on gold bar production, allowing qualified companies and banks to import raw gold, produce gold bars, and manufacture jewelry and fine art gold products. We expect this change to help PNJ address the shortage of raw materials used in manufacturing. This will enable the company to take a more proactive approach in production planning, product innovation, and margin expansion.
- In 2025F, we forecast Net Revenue to decline by 10.2% YoY as gold supply remains constrained. For 2026F, based on the expectation that the supply bottleneck will be resolved following the amendment of Decree 24/2012/ND-CP, we project 24K gold revenue to increase by 50.0% YoY to VND 6,990 bn, thereby lifting Net Revenue in 2026F to VND 38,890 bn (+14.5% YoY).
- PNJ is currently trading at a 2025F forward P/E of 14.5x – lower than its 5-year average P/E of 16.5x. Using DCF and P/E valuation method, we recommend **HOLD** for PNJ with a fair value of VND 96,800/share, representing a potential upside of 10%.

1Q2025 Business results update

In 1Q2025, PNJ recorded a rather subdued business performance as the company continued to be affected by the shortage of gold materials. Total revenue declining by 23.2% YoY to VND 9,759 bn, completing 31% of the company's full-year target. During the period, a sharp increase in Selling Expenses led to an 8.1% YoY drop in NPAT to VND 678 bn, achieving 35% of the 2025 target. Specifically:

- The sluggish gold bar trading market resulted in a 65.8% YoY decline in 24K gold revenue. The reason was persistently high gold prices, prompting consumers to hold onto their gold, which in turn caused a prolonged shortage of gold materials. Additionally, PNJ also proactively allocated resources toward the jewelry segment.
- Jewelry revenue showed a more positive trend (retail jewelry rose 6.1% YoY; wholesale grew 22.8% YoY), supported by effective marketing campaigns and a consumer shift toward reputable branded products. During the period, the company did not expand its retail stores compared to the end of 2024 (maintaining 429 stores), and the average revenue reached VND 5.2 bn/store/month (-1.9% YoY).

We assess PNJ's 1Q2025 results as relatively impressive, as the company was still able to improve its profit margins amid a volatile jewelry market. Specifically, PNJ's Gross Margin and Net Margin improved to 21.3% and

7.0%, respectively (+420bps/+120bps YoY), thanks to an increased contribution from the high-margin retail jewelry segment, which rose to 69% of total revenue compared to 51% in 1Q2024.

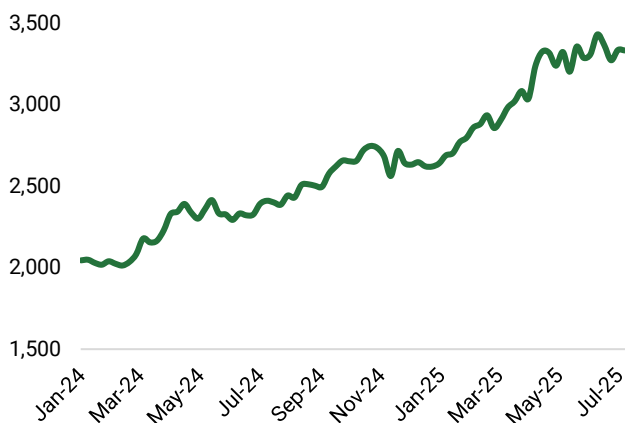
The Amendment of Decree 24/2012/ND-CP opens up expectations for a more flexible, efficient, and transparent gold market management policy

The State Bank of Vietnam (SBV) is finalizing a draft amendment to Decree No. 24/2012/ND-CP on the management of gold trading activities, aiming for a gradual market-oriented approach while ensuring strict control. The draft amended decree is expected to be submitted to the Government by July 15, 2025.

One of the notable proposals is **the removal of the State’s monopoly mechanism over gold bar production and the import/export of raw gold – a policy that has been maintained for over a decade. Instead, qualified companies and banks will be licensed to import raw gold, produce gold bars, and manufacture jewelry and gold fine art products.** These activities will remain under the close supervision of the SBV through mechanisms such as annual import quotas and each time licenses for importing gold bars and raw gold for eligible entities.

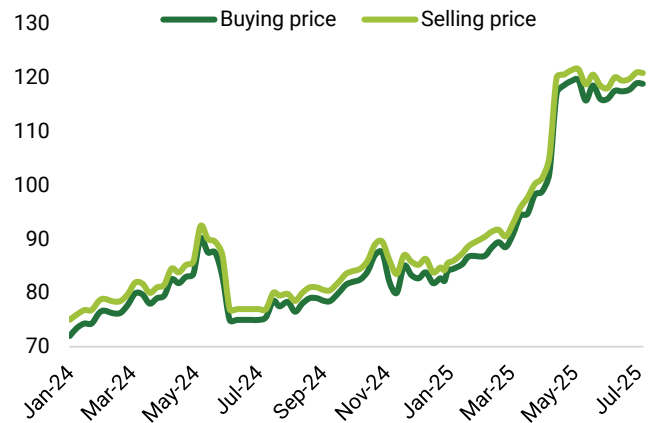
According to estimates, currently only 3 companies and 7 banks meet the minimum charter capital requirements for licensing gold bar production (VND 1,000 billion for companies and VND 50,000 billion for banks). Therefore, we expect this regulatory change to address the prolonged shortage of raw materials in the jewelry industry, creating favorable conditions for leading companies like PNJ to take a more proactive stance in production planning, product innovation, and margin expansion. Ensuring a stable and legal supply of raw materials, combined with competitive advantages in brand value, will be key drivers of PNJ’s long-term growth amid deeper integration and rising consumer preferences.

Figure 1: Gold Spot US Dollar (XAU/USD – USD/oz)



Source: Bloomberg, PHS compiled

Figure 2: SJC gold bar price (VND million/tael)



Source: Fiiipro, PHS compiled

2025F/26F Business results projections

VND bn	1Q25	% YoY	2025F	% YoY	2026F	% YoY	Comments
Net Revenue	9,635	-23.5%	33,969	-10.2%	38,890	14.5%	2025F revenue is projected to decline by 10.2% YoY, primarily due to a sharp drop in 24K gold revenue (-60% YoY), as gold supply remained constrained and PNJ prioritized resource allocation toward the jewelry segment.
24K Gold	1,744	-66.2%	4,660	-60.0%	6,990	50.0%	
Retail	6,677	5.0%	24,469	11.0%	26,722	9.2%	Retail segment revenue in 25F/26F is estimated to grow by 11.0%/9.2% YoY due to: + The addition of 15/20 new store in 25F/26F, in line with the company's expansion plan. + A slight improvement in revenue/store/month, supported by effective promotional campaigns, the launch of new products. In addition, we expect PNJ to benefit from a more transparent operating environment driven by stricter gold market inspections and a consumer shift from unbranded to branded jewelry.
No. of stores	429	7.0%	444	3.5%	464	4.5%	
Revenue/store/month	5.2	-2.0%	4.7	5.4%	4.9	5.0%	
Wholesales	1,156	22.4%	4,499	19.0%	4,826	7.3%	For 2026F, based on the expectation that the supply bottleneck will be resolved following the amendment of Decree 24/2012/ND-CP, we forecast 24K gold revenue to increase by 50% YoY to VND 6,990 bn, thereby driving total revenue to VND 38,890 bn (+14.5% YoY).
Gross Profit	2,048	-4.7%	6,459	-3.2%	7,592	17.5%	
Net Profit	678	-8.1%	2,146	1.6%	2,649	23.4%	
Gross Profit Margin (%)	21.3%		19.0%		19.5%		The 25F/26F Gross Margin is projected to improve to 19.0%/19.5% (+140bps/+50bps YoY), driven by a higher contribution from the jewelry segment.
Net Profit Margin (%)	7.0%		6.3%		6.8%		

Source: PHS forecasted

Valuation and recommendation

PNJ is currently trading at a 2025F forward P/E of 14.5x – lower than its 5-year average P/E of 16.5x. Using DCF and P/E valuation method, we make **HOLD** recommendation for PNJ with a fair value of VND 96,800/share, implying a potential upside of 10% compared to the current price.

Risks

(1) Delay in the amendment of Decree 24/2012/ND-CP; (2) Weakened consumer purchasing power.

Figure 3: PNJ's P/E historical in the period 2020 - 2025



Source: Bloomberg, PHS compiled

FINANCIAL STATEMENTS

VND bn

Income statement	2022A	2023A	2024A	2025F	2026F
Net revenue	33,876	33,137	37,823	33,969	38,890
COGS	(27,949)	(27,078)	(31,149)	(27,510)	(31,298)
Gross profit	5,927	6,059	6,674	6,459	7,592
Selling expense	(2,808)	(2,814)	(3,185)	(2,989)	(3,345)
G&A expense	(674)	(694)	(796)	(718)	(860)
EBIT	2,445	2,550	2,692	2,752	3,388
Financial income	(87)	(45)	(18)	(36)	(38)
Interest expenses	(94)	(119)	(47)	(57)	(63)
Profit before tax	2,312	2,489	2,651	2,693	3,324
Profit after tax	1,811	1,971	2,113	2,146	2,649
PAT of the parent company	1,811	1,971	2,113	2,146	2,649
Balance sheet	2022A	2023A	2024A	2025F	2026F
Current Assets	11,966	12,958	15,693	17,416	20,098
Cash & cash equivalents	880	896	1,123	2,373	3,921
Short-term investments	200	810	1,020	1,359	1,556
Short-term receivables	301	215	401	298	389
Inventories	10,506	10,941	13,015	13,269	14,092
Other current assets	80	96	133	117	141
Non-current Assets	1,371	1,469	1,515	1,498	1,567
Long-term receivables	94	105	116	120	131
Fixed assets	882	883	857	839	824
Investment properties	-	-	-	-	-
Construction in progress	31	29	65	92	111
Long-term investment	-	4	4	4	4
Other non-current assets	364	449	474	443	497
Goodwill	0	0	0	0	0
Total Assets	13,337	14,428	17,208	18,914	21,665
Liabilities	4,893	4,621	5,952	6,287	7,180
Current liabilities	4,883	4,612	5,942	6,263	7,151
Non-current liabilities	10	9	11	24	29
Equity	8,444	9,806	11,255	12,627	14,484
Contributed capital	2,462	3,282	3,381	3,381	3,381
Minority interest	-	-	-	-	-
Total Liabilities & Owners' Equity	13,337	14,428	17,208	18,914	21,665

Cashflow statement	2022A	2023A	2024A	2025F	2026F
Net Operating CF	101	1,508	83	2,065	2,116
Net Investing CF	(371)	(578)	(211)	(357)	(299)
Net Financing CF	792	(914)	353	(459)	(269)
Net Cash Flow	522	15	225	1,250	1,548
Opening balance	355	880	896	1,123	2,373
Closing balance	880	896	1,123	2,373	3,921
Key ratios (%)	2022A	2023A	2024A	2025F	2026F
Growth rate					
Sales	73.3%	-2.2%	14.1%	-10.2%	14.5%
PAT	76.0%	8.9%	7.2%	1.6%	23.4%
Total assets	25.6%	8.2%	19.3%	9.9%	14.5%
Equity	40.4%	16.1%	14.8%	12.2%	14.7%
Profitability					
Gross margin	17.5%	18.3%	17.6%	19.0%	19.5%
EBITDA margin	7.2%	7.6%	7.1%	8.0%	8.6%
Profit margin	5.3%	5.9%	5.6%	6.3%	6.8%
ROA	13.6%	13.7%	12.3%	11.3%	12.2%
ROE	21.4%	20.1%	18.8%	17.0%	18.3%
Operating cycle					
Receivables days	0.6	0.8	0.7	0.7	0.7
Inventory days	354.6	145.4	192.9	176.7	164.7
Payables days	6.8	3.9	5.6	7.1	7.1
Liquidity					
Current ratio	2.5	2.8	2.6	2.8	2.8
Quick ratio	0.3	0.4	0.5	0.7	0.8
Financial structure					
Liabilities/Total Assets	0.4	0.3	0.3	0.3	0.3
Total Debt/Equity	0.6	0.5	0.5	0.5	0.5
Short-term debt/Equity	0.6	0.5	0.5	0.5	0.5
Long-term debt/Equity	0.0	0.0	0.0	0.0	0.0

(Source: PHS compiled and forecasted)

Analyst Certification

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OVERWEIGHT: Stock has potential upside between 10% and 20%.

HOLD: Stock with limited potential upside of less than 10%.

UNDERWEIGHT: Stock has downside potential of 0% to -10%.

SELL: Stock has potential downside of below -10%.

NON-RATED: Stock is not rated under PHS's coverage or have not yet been listed.

Performance is defined as total return over 12 months (including dividends).

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