

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

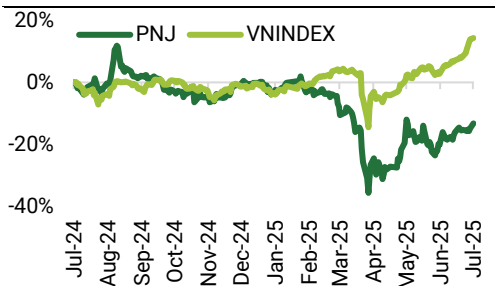
SHAREHOLDER STRUCTURE

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