

4 Aug 2025

# Phu Nhuan Jewelry (PNJ)

## The fog remains

On 29<sup>th</sup> Jul, we attended PNJ's analyst meetings presenting the 2Q25 business performance. Here are some notable updates.

### Jewelry Retail's sales grew weak

- In 2Q25, PNJ's net revenue dropped to VND7,582bn (-20.3% yoy). In which:
  - o *Sales of 24K Gold* declined sharply to VND1,906bn (-52.2% yoy) due to the shortage of Gold 24K – consumers don't want to sell gold since they expect gold prices will continue to rise.
  - o *Sales of Retail Jewelry* remained weak at VND4,756bn (+3.7% yoy), which was mainly driven by the increase in gold prices. Excluding this factor, the sales volume might have decreased compared to last year.
  - o *Sales of Wholesales* rose to VND893bn (+2.8% yoy), which was much slower than previous quarters (about 20% – 40% yoy). Increased tax inspections by the state agencies have led to the temporary closure of small gold shops, thereby affecting the number of PNJ's orders.
- At the end of Jul 25, PNJ has 428 stores (-1 stores QoQ; -1 stores YTD).
- In 2H25F, we think that PNJ's sales would back to a positive growth mainly supported by a low base of Gold 24K sales in 2H24. Meanwhile, we think that Jewelry Retail's sales might still not see a strong improvement due to the current weak consumer demand and high gold prices.

|                           | 2020A  | 2021A  | 2022A  | 2023A  | 2024A  |
|---------------------------|--------|--------|--------|--------|--------|
| Sales (VND bn)            | 17,511 | 19,547 | 33,876 | 33,137 | 37,823 |
| chg. (% YoY)              | 3.0    | 11.6   | 73.3   | (2.2)  | 14.1   |
| Operating profit (VND bn) | 1,508  | 1,409  | 2,337  | 2,484  | 2,652  |
| Net profit (VND bn)       | 1,069  | 1,029  | 1,810  | 1,971  | 2,115  |
| EPS (VND)                 | 4,463  | 4,295  | 6,988  | 6,009  | 6,254  |
| chg. (% YoY)              | (11.3) | (3.8)  | 62.7   | (14)   | 4.1    |
| EBITDA (VND bn)           | 1,580  | 1,484  | 2,504  | 2,171  | 2,751  |
| PE (x)                    | 17.70  | 18.39  | 11.31  | 14.3   | 15.3   |
| EV/EBITDA (x)             | 12.3   | 13.7   | 8.5    | 12.9   | 12.5   |
| PB (x)                    | 3.4    | 3.0    | 2.3    | 3.3    | 2.9    |
| ROE (%)                   | 21.8   | 18.3   | 25.1   | 21.6   | 20.1   |
| Dividend yield (%)        | 3.5    | 2.5    | 1.5    | 2.1    | 0.6    |

Note: Net profit, EPS, and ROE are based on figures attributed to controlling interest

12M rating **NON-RATED**

12M TP

Up/Downside

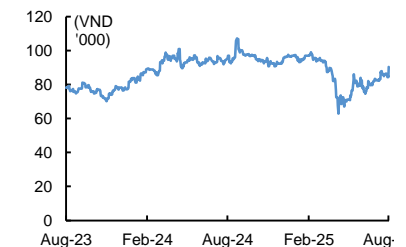
### Stock Data

|                                    |                |
|------------------------------------|----------------|
| VNIndex (1 Aug, pt)                | 1,495          |
| Stock price (1 Aug, VND)           | 90,300         |
| Market cap (USD mn)                | 1,120          |
| Shares outstanding (mn)            | 338            |
| 52-Week high/low (VND)             | 107,088/62,800 |
| 6M avg. daily turnover (USD mn)    | 3.08           |
| Free float / Foreign ownership (%) | 86.5/49.       |
| Major shareholders (%)             |                |
| Dragon Capital                     | 6.0            |
| T.Rowe Price Associates            | 5.2            |
| Sprucegroce Investment Management  | 4.8            |

### Performance

|                          | 1M    | 6M     | 12M    |
|--------------------------|-------|--------|--------|
| Absolute (%)             | 8.3   | (11.1) | (10.5) |
| Relative to VNIndex (%p) | (0.3) | (31.5) | (34.8) |

### Stock price trend



Source: Bloomberg

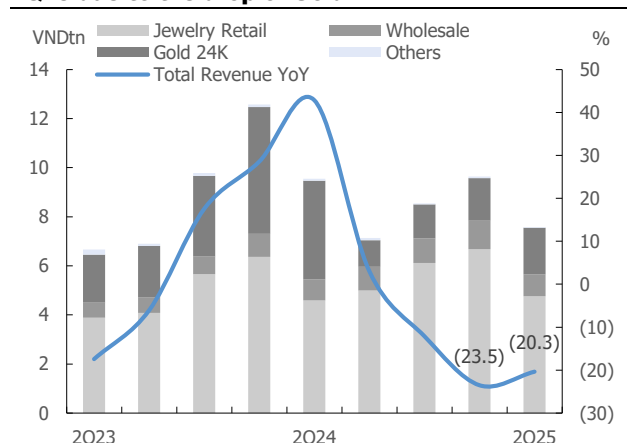
## Research Department

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### NPAT back to positive growth but headwinds still ahead

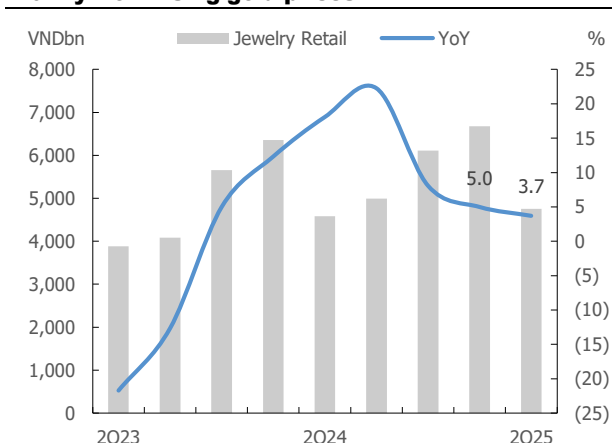
- In 2Q25, PNJ's gross margin expanded to 21.5% (+5.9%p yoy) mainly due to a higher share of Jewelry Retail and a lower share of Gold 24K.
- Additionally, PNJ shares that their Jewelry Retail's gross margin increased as:
  - o 1) PNJ used lower-cost gold material (gold that was imported when prices were lower and sold when prices had gone up).
  - o 2) PNJ increased the gold recyclement from older products.
- As a result, PNJ's NPAT lift up slightly to VND442bn (+3.0% yoy).
- In 2H25F, we think that PNJ would continue to face a lot of uncertainties and headwinds coming from global macroeconomic conditions. This would make the gold prices fluctuate and difficult to predict, which is not good for Jewelry Retail's sales and its gross margin. As a result, at the base case, we expect that PNJ would meet their business guidance (2025's NPAT: -7.3% yoy in which 6M25's NPAT has been -4.1% yoy).

**Figure 1. PNJ's total revenue decreased 20.3% yoy in 2Q25 due to the drop of Gold 24K.**



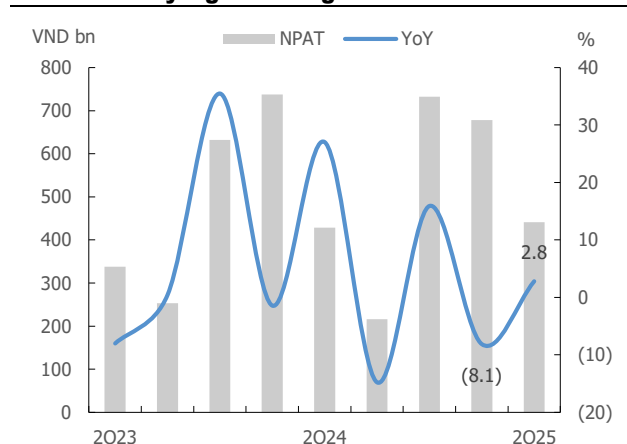
Source: Company Data, KISVN

**Figure 2. Meanwhile, Jewelry Retail sales increased mainly from rising gold prices.**



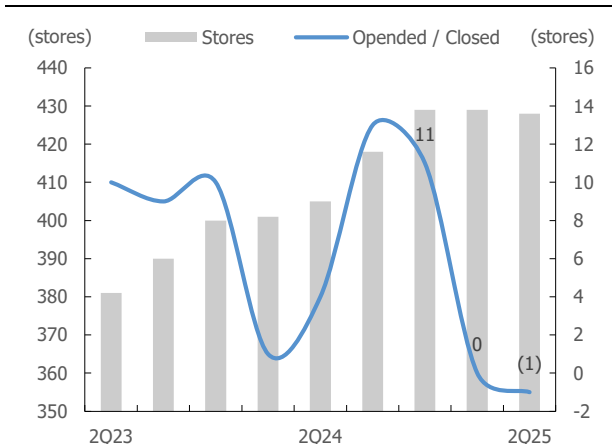
Source: Company Data, KISVN

**Figure 3. In 2Q25, PNJ slightly lift up due to higher Retail Jewelry's gross margin.**



Source: Company Data, KISVN

**Figure 4. In 6M25, PNJ closed 1 stores**



Source: Company Data, KISVN

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