

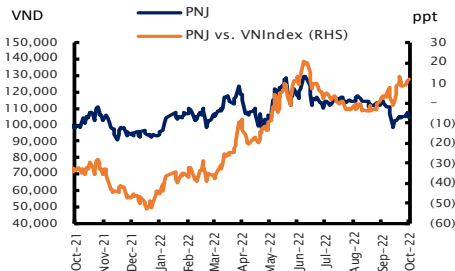
## BUY

TP upside (downside): +29.4%

Close 21 Oct 2022

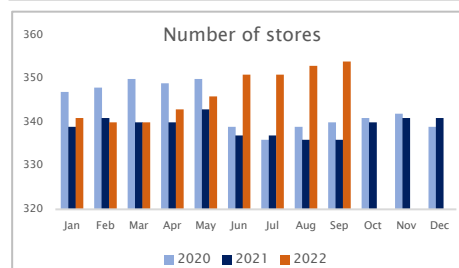
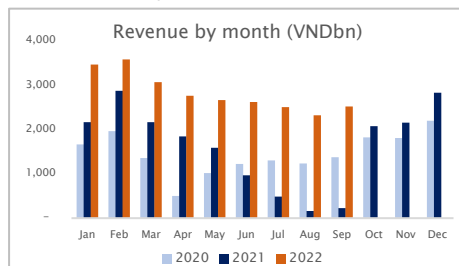
Price VND 104,700  
12M Target VND 135,453

### Share price performance relative to VNI



Market cap	US\$1,045mn
6M avg. daily turnover	US\$3.5mn
Outstanding shares	246 mn
Free float	85%
FINI ownership	49.0%
Major shareholders	32.7%
2021 Net debt / Equity	39%
2023E P/E	12.5x
FOL remaining room	0.0%
2023E Dividend yield	1.6%

Source: Bloomberg, Fiiipro



Source: Company Data, Yuanta Vietnam

### Research Analysts:

Di Luu

[di.luu@yuanta.com.vn](mailto:di.luu@yuanta.com.vn)

Binh Truong

[binh.truong@yuanta.com.vn](mailto:binh.truong@yuanta.com.vn)

Bloomberg code: YUTA

## Phu Nhuan Jewelry JSC (PNJ VN)

### Event

PNJ's announced its September performance report. 3Q22 revenue reached VND 7.3tn, +8.4x that of last year, and NPAT reached VND 252bn (vs. a loss of VND 160bn in 3Q21). The latter figure is in line with our forecast of VND 253bn for 3Q22.

### Details

In 9M22, PNJ's revenue reached VND 25.6tn (+104.4% YoY) and NPAT reached VND 1.3tn (+132.7% YoY). PNJ has thus slightly exceeded its 2022E NPAT guidance by 1.5%, and it has fulfilled 74% of our NPAT forecast for 2022E.

Two key drivers posted outstanding growth, albeit off the low YoY base. Specifically, retail sales (accounting for 60% of total sales in 9M22) soared by 113.3% YoY in 9M22 and 24k gold sales (26.3% of total sales) jumped by 104.2% YoY. Wholesale revenues increased by 84.7% YoY and other sales by 20.1% YoY during 9M22.

9M22 gross margin declined by -1.1ppt YoY to 17.4% due to changes in the retail product mix. However, net margin still ticked up by +0.6ppt to 5.2% in 9M22 due to increased operating efficiencies as a result of improved technology application. We expect 2022E gross margin to slightly decrease by -0.2ppt vs. 2021 to 18.0%, due to changes in the product mix.

The company plans to open 35-40 new stores per year in 2022E-2024E and might open up to 50 stores if conditions are favorable. However, PNJ has only opened another 13 stores YTD, and it thus currently operates a nationwide retail network of 354 stores.

PNJ plans a 3<sup>rd</sup> cash dividend payment of VND800 per share in November, implying a total cash payout of VND197bn for the holders of its 246mn outstanding shares. This payout will bring the total annual cash dividend for 2021 to VND 2,000 per share.

### Our view

Share price weakness belies the strong operating momentum. PNJ's share price has declined by 23.7% since its peak in April 2022 due to market weakness, whereas PNJ's fundamentals remain solid.

We think our 2022E revenue forecast of VND 32tn and NPAT forecast of VND 1.8tn is achievable as PNJ's results are typically seasonally strong in 4Q. Please access our [report of Sep 23](#) for more details.

We reiterate BUY on PNJ with target price of VND 135,453 per share. PNJ trades at an attractive 12.5x 2023E P/E, in line with regional peers' median valuation, with a 2023E PEG ratio of 0.8x.

### ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES ARE LOCATED IN APPENDIX A.

Yuanta does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

---

## Appendix A: Important Disclosures

### Analyst Certification

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.

### Ratings Definitions

**BUY:** We have a positive outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors add to their position.

**HOLD–Outperform:** In our view, the stock's fundamentals are relatively more attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

**HOLD–Underperform:** In our view, the stock's fundamentals are relatively less attractive than peers at the current price. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile.

**SELL:** We have a negative outlook on the stock based on our expected absolute or relative return over the investment period. Our thesis is based on our analysis of the company's outlook, financial performance, catalysts, valuation and risk profile. We recommend investors reduce their position.

**Under Review:** We actively follow the company, although our estimates, rating and target price are under review.

**Restricted:** The rating and target price have been suspended temporarily to comply with applicable regulations and/or Yuanta policies.

Note: Yuanta research coverage with a Target Price is based on an investment period of 12 months. Greater China Discovery Series coverage does not have a formal 12 month Target Price and the recommendation is based on an investment period specified by the analyst in the report.

### Global Disclaimer

© 2020 Yuanta. All rights reserved. The information in this report has been compiled from sources we believe to be reliable, but we do not hold ourselves responsible for its completeness or accuracy. It is not an offer to sell or solicitation of an offer to buy any securities. All opinions and estimates included in this report constitute our judgment as of this date and are subject to change without notice.

This report provides general information only. Neither the information nor any opinion expressed herein constitutes an offer or invitation to make an offer to buy or sell securities or other investments. This material is prepared for general circulation to clients and is not intended to provide tailored investment advice and does not take into account the individual financial situation and objectives of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities, investments or investment strategies discussed or recommended in this report. The information contained in this report has been compiled from sources believed to be reliable but no representation or warranty, express or implied, is made as to its accuracy, completeness or correctness. This report is not (and should not be construed as) a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on such business in that jurisdiction.

Yuanta research is distributed in the United States only to Major U.S. Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended and SEC staff interpretations thereof). All transactions by a US person in the securities mentioned in this report must be effected through a registered broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended. Yuanta research is distributed in Taiwan by Yuanta Securities Investment Consulting. Yuanta research is distributed in Hong Kong by Yuanta Securities (Hong Kong) Co. Limited, which is licensed in Hong Kong by the Securities and Futures Commission for regulated activities, including Type 4 regulated activity (advising on securities). In Hong Kong, this research report may not be redistributed, retransmitted or disclosed, in whole or in part or and any form or manner, without the express written consent of Yuanta Securities (Hong Kong) Co. Limited.

Taiwan persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research  
Yuanta Securities Investment Consulting  
4F, 225,  
Section 3 Nanking East Road, Taipei 104  
Taiwan

Hong Kong persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research  
Yuanta Securities (Hong Kong) Co. Ltd  
23/F, Tower 1, Admiralty Centre  
18 Harcourt Road,  
Hong Kong

Korean persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

---

Head Office  
Yuanta Securities Building  
Euljiro 76 Jung-gu  
Seoul, Korea 100-845  
Tel: +822 3770 3454

Indonesia persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Attn: Research  
PT YUANTA SECURITIES INDONESIA  
(A member of the Yuanta Group)  
Equity Tower, 10th Floor Unit EFGH  
SCBD Lot 9  
Jl. Jend. Sudirman Kav. 52-53  
Tel: (6221) - 5153608 (General)

Thailand persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Research department  
Yuanta Securities (Thailand)  
127 Gaysorn Tower, 16th floor  
Ratchadamri Road, Pathumwan  
Bangkok 10330

Vietnam persons wishing to obtain further information on any of the securities mentioned in this publication should contact:

Research department  
Yuanta Securities (Vietnam)  
4th Floor, Saigon Centre  
Tower 1, 65 Le Loi Boulevard,  
Ben Nghe Ward, District 1,  
HCMC, Vietnam

---

# YUANTA SECURITIES NETWORK



## YUANTA SECURITIES VIETNAM OFFICE

**Head office:** 4<sup>th</sup> Floor, Saigon Centre, Tower 1, 65 Le Loi Boulevard, Ben Nghe Ward, District 1, HCMC, Vietnam

### Institutional Research

**Matthew Smith, CFA**

Head of Research

Tel: +84 28 3622 6868 (ext. 3815)

[matthew.smith@yuanta.com.vn](mailto:matthew.smith@yuanta.com.vn)

**Tanh Tran**

Analyst (Banks)

Tel: +84 28 3622 6868 (ext. 3874)

[tanh.tran@yuanta.com.vn](mailto:tanh.tran@yuanta.com.vn)

**Di Luu**

Assistant Analyst

Tel: +84 28 3622 6868 (ext. 3845)

[di.luu@yuanta.com.vn](mailto:di.luu@yuanta.com.vn)

**Binh Truong**

Deputy Head of Research (O&G, Energy)

Tel: +84 28 3622 6868 (ext. 3845)

[binh.truong@yuanta.com.vn](mailto:binh.truong@yuanta.com.vn)

**Tam Nguyen**

Analyst (Property)

Tel: +84 28 3622 6868 (ext. 3874)

[tam.nguyen@yuanta.com.vn](mailto:tam.nguyen@yuanta.com.vn)

### Institutional Sales

**Tuan-Anh Nguyen**

Sales Trader

Tel: +84 28 3622 6868 (ext. 3909)

[anh.nguyen2@yuanta.com.vn](mailto:anh.nguyen2@yuanta.com.vn)

**Dat Bui**

Sales Trader

Tel: +84 28 3622 6868 (3941)

[dat.bui@yuanta.com.vn](mailto:dat.bui@yuanta.com.vn)

**Vi Truong**

Sales Trader

Tel: +84 28 3622 6868 (3940)

[vi.truong@yuanta.com.vn](mailto:vi.truong@yuanta.com.vn)