

**PHU NHUAN JEWELRY JSC (PNJ)**

**ADD (maintained)**

**CONSUMER GOODS**

Current Price	VND64,100
52Wk High/Low	VND84,671/48,460
Target Price	VND102,300
Previous TP	VND132,600
TP vs Consensus	1.1%
Upside	59.3%
Dividend Yield	2.4%
Total stock return	61.7%

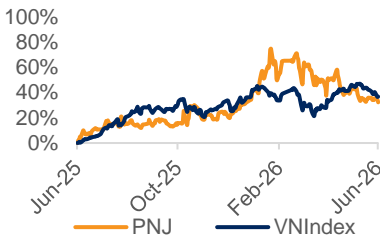
Growth rating	Positive
Value rating	Positive
ST Technical Analysis	<u>Negative</u>

Market Cap	USD1.3bn
3m Avg daily value	USD4.0mn
Avail Foreign Room	USD11.9mn
Outstanding Shares	512mn
Fully diluted O/S	512mn

	PNJ	VNI
P/E TTM	9.4x	13.5x
P/B Current	2.3x	2.0x
ROA	19.8%	2.5%
ROE	28.6%	15.6%

\*as of June 10, 2026

**Share Price performance**



Share price (%)	1M	3M	12M
Ordinary share	-8.7%	-15.4%	29.5%
Relative to index	-5.8%	7.6%	37.0%

**Ownership**

Dragon Capital	6.02%
T.Rowe Price Associates, Inc	5.79%
Sprucegrove Investment Management	4.81%
Vinacapital VOF Ltd.	3.75%
Others	79.6%

**Business Description**

PNJ was established in 1988 with a vision of "becoming Asia's leading jewelry manufacturing and retail company". After more than 30 years of development, PNJ has emerged as the leader in Vietnam's branded retail jewelry market, with excellent quality items and various styles

**Analyst(s):**



**Ngoc Pham Thi Bich**

ngoc.phambich@vndirect.com.vn

**Recovering supply fuels sales growth**

- We maintain our ADD recommendation, with 59% upside.
- We decreased our TP by 23% to VND102,300, mostly due to the impact of the 170 million bonus share issuance.

**Financial Highlights**

- In 1Q26, PNJ reported total revenue of VND17tn (USD651bn), a surge of 79% YoY, primarily driven by a 322% YoY surge in 24K gold bars sales.
- PNJ recorded all-time high profit of VND1.5tn (USD57mn) in 1Q26, a 116.4% YoY increase, driven by booming retail sales.
- We expect PNJ to reach 2Q26 NPAT of VND600bn (USD23mn) and NPM of 6%.

**Investment Thesis**

**New repurchase policy enhances material supply for jewelry sales**

Under the new repurchase policy, PNJ can manage inventory and gold-price exposure more effectively, limiting losses from sharp movements in raw material costs. This is particularly important as SJC gold prices recently dropped 20% in 2Q26. Thus, the new policy of repurchasing at the material's market price allows PNJ to maintain stable positive jewelry margins.

**24k gold sales may remain strong in 2H26**

Over the past two years, limited availability of gold material has constrained production capacity across the industry, preventing PNJ from fully capturing demand. Easing supply and production conditions since Decree 232 would allow the company to expand inventory, launch new collections, and improve product availability across its network of 430 stores nationwide.

Given that jewelry retail contributes ~60–70% of PNJ's revenue but more than 90% of gross profit thanks to higher GPM, stronger growth in this segment could have a disproportionately positive impact on earnings. In addition, a higher contribution from branded and premium jewelry products should further support gross margin expansion.

**PNJ's valuation remains attractive relative to its historical average level**

The stock is currently trading at around 9.4x forward P/E, representing a discount of ~37% to its five-year historical average valuation (15x) and below jewelry peers (14.4x). Meanwhile, the company's long-term growth drivers remain intact, including rising disposable income, increasing urbanization, premiumization trends, and continued market share gains from the fragmented traditional jewelry market. A combination of stronger profitability and valuation normalization could provide meaningful upside to the stock price in 2026.

Financial summary	2024A	2025A	2026E	2027F	2028F
Revenue growth	14.1%	(7.5%)	33.0%	16.3%	13.4%
EPS growth	7.2%	35.8%	34.7%	26.9%	20.0%
Gross margin	17.6%	22.0%	19.6%	19.3%	19.0%
Net profit margin	5.6%	8.2%	8.3%	9.1%	9.6%
P/E (x)	16.9	12.5	9.2	7.3	6.1
Rolling P/B (x)	1.9	1.7	1.9	1.6	1.3
ROAE	19.0%	22.0%	25.6%	27.3%	27.0%
Net debt to equity	19.7%	27.9%	28.1%	19.1%	9.0%

Source: VNDIRECT Research

## 2026 outlook: Recoving supply fuels sales growth

**Figure 2: FY26-27 earnings forecast revision**

VNDbn	2025	Previous forecast				Current forecast		% change		Comment
		2025F	2026F	2026F	% YoY	2027F	% YoY	2026F	2027F	
<b>Net revenue</b>	<b>34,976</b>	<b>42,800</b>	<b>49,629</b>	<b>46,519</b>	<b>33.0%</b>	<b>54,093</b>	<b>16.3%</b>	<b>8.7%</b>	<b>9.0%</b>	
Retail	24,343	27,863	31,493	29,182	19.9%	32,987	13.0%	4.7%	4.7%	
Gold bars	6,610	9,555	11,689	11,589	75.3%	13,621	17.5%	21.3%	16.5%	Sales recovered driven by a rebound in gold bar supply, thanks to 1) approval to import and produce gold bars, 2) changes in repurchase policy and 3) cooling gold price
Wholesale	3,847	5,001	6,001	5,193	35.0%	6,751	30.0%	3.8%	12.5%	
Others	176	381	446	555	215.3%	734	32.3%	45.7%	64.6%	Potential growth of jewelry exports under export-tax exemption and OEM opportunities for several commercial banks
COGS	(27,273)	-34,555	-40,206	(37,419)	37.2%	(43,647)	16.6%	8.3%	8.6%	
<b>Gross profit</b>	<b>7,703</b>	<b>8,245</b>	<b>9,423</b>	<b>9,100</b>	<b>18.1%</b>	<b>10,446</b>	<b>14.8%</b>	<b>10.4%</b>	<b>10.9%</b>	
Gross profit margin	22.0%	19.30%	19.00%	19.6%	-2.4% pts	19.3%	-0.3% pts	0.3% pts	0.3% pts	
<b>SG&amp;A expenses</b>	<b>(4,166)</b>	<b>-4,352</b>	<b>-4,444</b>	<b>(4,305)</b>	<b>3.3%</b>	<b>(4,396)</b>	<b>2.1%</b>	<b>-1.1%</b>	<b>-1.1%</b>	
SG&A expense / sales	11.9%	10.20%	9.00%	9.3%	-2.6% pts	8.1%	-1.2% pts	-0.9% pts	-0.9% pts	Expecting effective opex control while sales grow
<b>Operating profit</b>	<b>3,537</b>	<b>3,893</b>	<b>4,979</b>	<b>4,795</b>	<b>35.6%</b>	<b>6,050</b>	<b>26.2%</b>	<b>23.2%</b>	<b>21.5%</b>	
<b>Pretax profit</b>	<b>3,589</b>	<b>3,889</b>	<b>5,010</b>	<b>4,837</b>	<b>34.8%</b>	<b>6,138</b>	<b>26.9%</b>	<b>24.4%</b>	<b>22.5%</b>	
<b>Net income</b>	<b>2,869</b>	<b>3,107</b>	<b>4,003</b>	<b>3,865</b>	<b>34.7%</b>	<b>4,904</b>	<b>26.9%</b>	<b>24.4%</b>	<b>22.5%</b>	<b>Profit is mainly driven by jewelry sales</b>

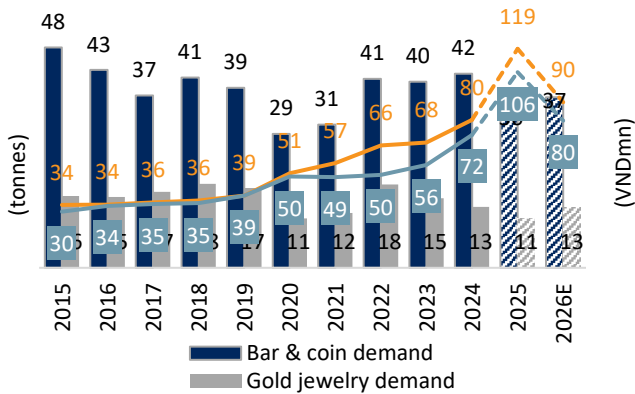
Source: VNDIRECT Research, Company report

**New repurchase policy enhances material supply for jewelry sales**

Gold prices have decreased by 20% to USD4,290/ounce since peaking earlier this year due to higher interest rates across major economies, as the Iran conflict triggered inflation risk. However, ongoing global conflicts seem to continue to bolster Gold as an important safe haven asset globally. PNJ had changed their jewelry repurchase policy from 70% of invoice price to basing it on the spot price of the gold content, thus enhancing customer benefits and improving inventory flexibility amid gold price volatility.

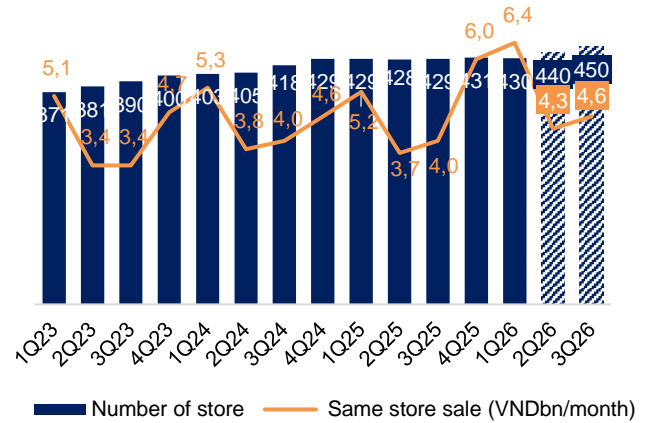
Thanks to a recovering in supply, PNJ is able to fulfill customer jewelry demand, especially in peak seasons. Additionally, jewelry has a far better margin than gold bar sales (above 20% compared to 2-3%), which contributes to PNJ's profit growth.

**Figure 3: Gold prices collapsed in 1H26**



Source: VNDIRECT Research, FiiiproX

**Figure 4: Same-store sales are expected to remain high in 2H26**

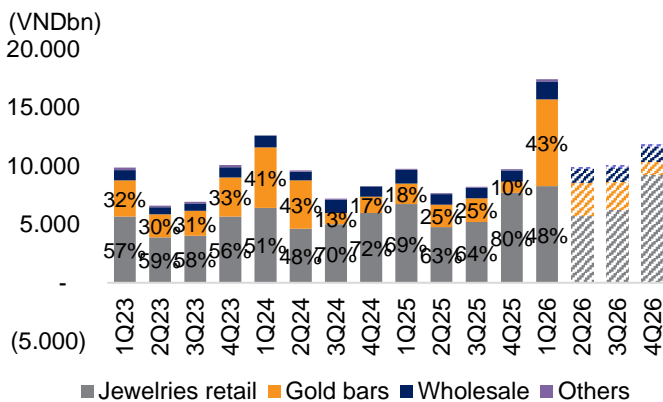


Source: VNDIRECT Research, Company report

**24k gold sales may maintain strong growth in 2H26**

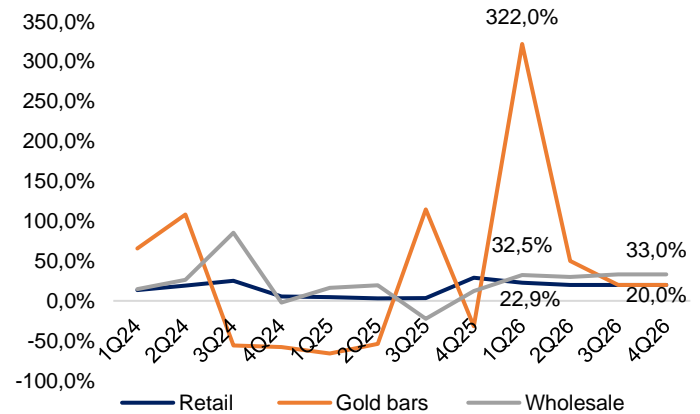
In 1H26, the new repurchase policy also supported 24k gold sales, thanks to active management of supply and high demand amid gold price volatility. Additionally, the SBV is considering granting licenses to 11 entities for gold material imports and gold bar production to expand supply and remove the previous monopoly mechanism. Higher supply could narrow the domestic - global gold price gap, which remains elevated due to shortages. However, the impact depends on import quotas and actual supply capacity, with the gap potentially narrowing from over VND20mn/teal to VND5mn-VND10mn/teal. For PNJ, the policy could improve gold material availability, reduce price volatility risks, and support inventory management and jewelry margin expansion.

**Figure 5: PNJ's 24k gold sales exceeded 2023 level**



Source: VNDIRECT Research, Company report

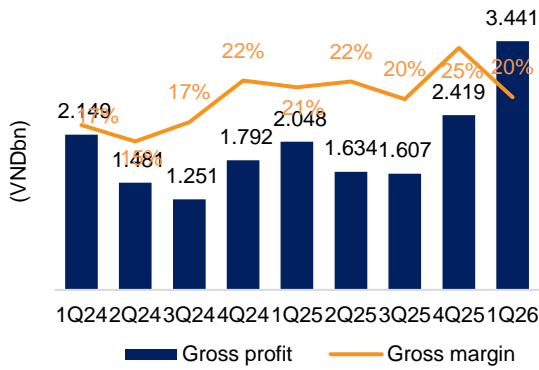
**Figure 6: 24k gold sales boomed in 1Q26 as input materials recovered**



Source: VNDIRECT Research, Company report

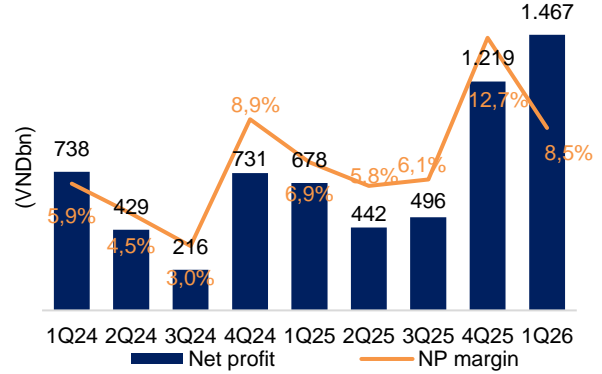
A lower gold price environment could weaken demand for gold bars and 24K gold products, as customers may adopt a more cautious stance toward gold accumulation amid expectations of further price declines. This could slow revenue growth from 24K gold, which typically carries lower margins; however, reduced gold price volatility would help PNJ better manage inventory and raw material costs, limiting margin pressure from inventory valuation risks.

Figure 7: GPM narrowed as the impact from surging gold bar sales...



Source: VNDIRECT Research, Company report

Figure 8: .... dampen NPM, however, net profit doubled YoY



Source: VNDIRECT Research, Company report

## Valuation: Recommend ADD with TP of VND102,300

**Our valuation is based on** an equal weighting combination of DCF valuation and P/E method. We decreased our TP by 23% due to the mixed impact of:

- DCF model: We revised our WACC from 9.4% to 10.1% due to increasing the risk-free rate from 3.6% to 4.3%, beta decreased from 0.9 to 0.8, ERP increased from 8.4% to 9.2% and cost of debt increased to 6.5%.
- P/E valuation: Decreased peer P/E from 14.5 to TTM PE at 11.6x
- Better-than-expected retail jewelry sales in 1Q26
- Bonus share issuance at a rate of 50%.

**Potential re-rating catalysts include** better-than-expected jewelry sales.

**Downside risks include** higher inflation that impacts discretionary spending.

Figure 9: Valuation summary

Methodology	Price	Weight	Weighted price
FCFF	106,400	50%	53,200
P/E	98,148	50%	49,074
Implied P/E			12.2
<b>Target price (Rounded)</b>			<b>102,300</b>

Source: VNDIRECT RESEARCH

Figure 10: Valuation: Multiples (P/E)

<b>NPATMI (VNDbn)</b>	<b>3,865</b>
No. of outstanding share	456,785,667
EPS (VND)	8,461
Target P/E	11.6
<b>Implied price</b>	<b>98,148</b>

Source: VNDIRECT RESEARCH

Figure 11: Assumptions

Cost of Capital	
Beta	0.8
Market Risk Premium	9.2%
Risk Free Rate	4.3%
Cost of Equity	11.9%
Cost of Debt	6.5%
Corporate Tax Rate	20.3%
WACC	10.1%

Source: VNDIRECT Research, [Damodaran](#)

Figure 12: Target price

DCF Valuation (VNDbn)	2026E
PV of Free Cash Flows	14,939
PV of Terminal Value	34,817
<b>Enterprise value</b>	<b>49,756</b>
Cash and cash equivalents	4,489
Total debts	(5,615)
Equity Value	48,630
Shares (mn)	457
<b>Price per share (VND)</b>	<b>106,400</b>

Source: VNDIRECT Research

Figure 13: DCF Valuation - Summary of free cash flow (FCF)

	2024	2025	2026F	2027F	2028F	2029F	2030F	2031F
<b>EBIT</b>	<b>2,670</b>	<b>3,537</b>	<b>4,795</b>	<b>6,050</b>	<b>7,149</b>	<b>7,629</b>	<b>8,060</b>	<b>8,582</b>
Less: Taxes	(538)	(720)	(972)	(1,234)	(1,480)	(1,589)	(1,695)	(1,814)
Plus: D&A	81	85	79	91	104	119	136	156
Less: Capex	(90)	(125)	(231)	(265)	(303)	(348)	(398)	(457)
Less: Increase in net working capital	(2,171)	(2,983)	(3,674)	(1,695)	(1,737)	(739)	599	(2,467)
<b>FCFF</b>	<b>(48)</b>	<b>(206)</b>	<b>(3)</b>	<b>2,947</b>	<b>3,733</b>	<b>5,072</b>	<b>6,702</b>	<b>4,000</b>
<b>Present value of FCF</b>			(3)	2,358	2,613	3,550	4,021	2,400
Terminal value								58,028
<b>PV of terminal value</b>								<b>34,817</b>

Source: VNDIRECT Research, Bloomberg

Figure 14: Peer comparison (data as of June 10, 2026)

Company name	Country	Mkt Cap USDm	Net profit		Net D/E	ROE (%)		P/B (x)		P/E (x)		Adj P/E TTM x
			FY25 (USDm)	FY25 growth		TTM	FY25F	TTM	FY25F	TTM	FY25F	
<b>PNJ</b>	<b>Vietnam</b>	<b>1,252.2</b>	<b>108.8</b>	<b>35.3</b>	<b>12.8</b>	<b>27.7</b>	<b>21.1</b>	<b>2.3</b>	<b>2.5</b>	<b>9.4</b>	<b>12.7</b>	<b>9.4</b>
Luk Fook Holdings International Ltd	Hong Kong	1,522.3	141.1	(55.1)	6.8	9.6	8.4	0.9	0.7	9.3	8.2	8.1
Lao Feng Xiang Co Ltd	China	2,249.7	244.3	(9.0)	(46.6)	12.6	13.7	1.3	1.3	10.8	7.2	17.1
Zojirushi Corp	Japan	631.1	40.1	14.8	(35.3)	7.2	6.8	1.0	1.0	13.8	17.4	13.0
PC Jeweller Ltd	India	900.9	80.9	23.7	12.6	9.9	12.7	0.9	0.9	8.9	11.6	6.5
<b>Median</b>		<b>1,212</b>	<b>111.0</b>	<b>2.9</b>	<b>(14.3)</b>	<b>9.8</b>	<b>10.5</b>	<b>1.0</b>	<b>1.0</b>	<b>10.1</b>	<b>9.9</b>	<b>10.6</b>
<b>Average</b>		<b>1,326</b>	<b>126.6</b>	<b>(6.4)</b>	<b>(15.6)</b>	<b>9.8</b>	<b>10.4</b>	<b>1.0</b>	<b>1.0</b>	<b>10.7</b>	<b>11.1</b>	<b>11.2</b>

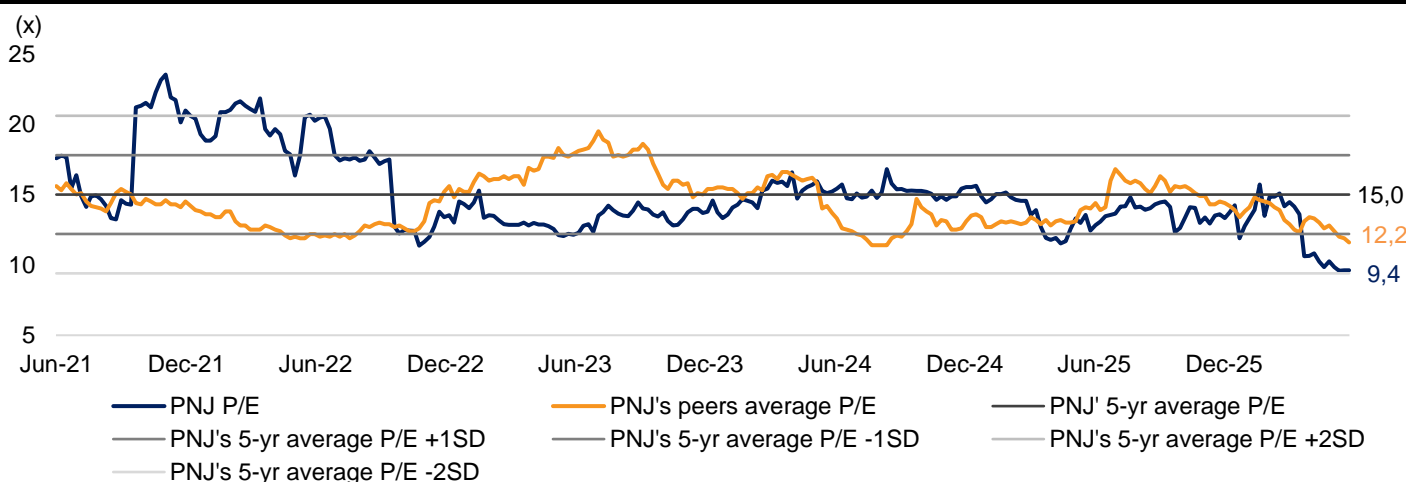
Source: VNDIRECT Research, Bloomberg

Figure 15: Sensitivity of valuation assumption

Terminal growth rate	Cost of equity							
	10.4%	10.9%	11.4%	<b>11.9%</b>	12.4%	12.9%	13.4%	
2.1%	103,500	101,300	99,900	97,700	90,300	89,400	88,300	
2.4%	105,300	103,000	101,400	99,100	91,400	90,400	89,200	
2.7%	107,400	104,800	103,100	100,600	92,600	91,500	90,200	
<b>3.0%</b>	<b>109,700</b>	<b>106,900</b>	<b>105,000</b>	<b>102,300</b>	<b>93,800</b>	<b>92,600</b>	<b>91,200</b>	
3.3%	112,200	109,100	107,000	104,100	95,100	93,900	92,400	
3.6%	115,000	111,500	109,200	106,000	96,600	95,200	93,600	
3.9%	118,100	114,200	111,600	108,200	98,200	96,700	94,900	

Source: VNDIRECT Research

Figure 16: PNJ is trading at a P/E 9.4x, lower than its peer average and its five-year average



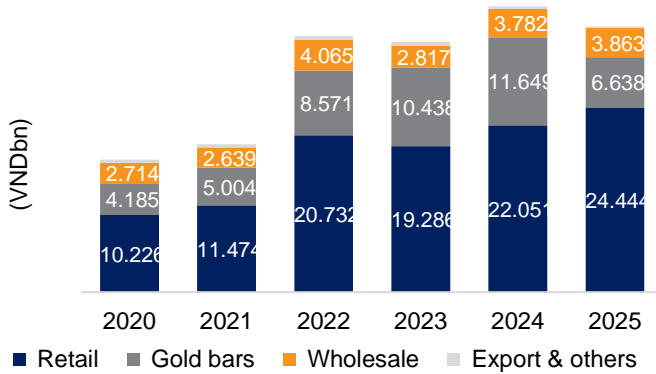
Source: VNDIRECT Research, Bloomberg

## Appendix 1: Company Profile

Established in 1988, PNJ has emerged as the leader in Vietnam's branded retail jewelry market, with quality items and various styles after more than 30 years of development.

- PNJ is a manufacturer and retailer that supplies jewelry products, including gold jewelry, silver jewelry, and diamond jewelry. The company also supplies 24K gold and processes jewelry for other domestic wholesale customers.
- Among peers, PNJ has a strong competitive advantage in production capacity with two factories in Go Vap and Long Hau (total capacity of over 4.0 million products/year), employing more than 1,000 artisans and goldsmiths.
- As of YE25, the company had an extensive retail system with 431 brand stores that are constantly being expanded and upgraded. Moreover, an omni-channel sales system through its website and mobile applications provide customers with a comprehensive experience featuring promotions and customer care that are regularly refreshed.
- PNJ enjoys an experienced, enthusiastic, and dynamic management team, who have an average of 20 years of experience. Currently, the company dominates the jewelry market with a share of more than 55% among branded jewelry and a strong upper mid- to high-end customer base.

Figure 17: PNJ revenue divided by segment



Source: VNDIRECT Research, Company report

Figure 18: PNJ's wide portfolio of product lines



Source: VNDIRECT Research, Company report

## Appendix 2: Results Recap - Material input recovery supported earnings growth

Figure 19: FY25 earnings revision

VNDbn	1Q25	1Q26	% YoY	% forecast
<b>Revenue</b>	<b>9,759</b>	<b>17,245</b>	<b>76.7%</b>	<b>40.3%</b>
Jewelry retail	6,734	8,278	22.9%	29.7%
Gold bars	1,757	7,415	322.0%	77.6%
Wholesale	1,171	1,552	32.5%	31.0%
Others	97	172	77.3%	45.1%
<b>Gross profit</b>	<b>2,048</b>	<b>3,441</b>	<b>68.0%</b>	<b>41.7%</b>
SG&A	938	1,059	12.9%	-24.3%
<b>NPAT</b>	<b>678</b>	<b>1,467</b>	<b>116.4%</b>	<b>47.2%</b>
<b>GPM</b>	<b>21.0%</b>	<b>20.0%</b>	<b>-1%pts</b>	
<b>NPM</b>	<b>6.9%</b>	<b>8.5%</b>	<b>1.6%pts</b>	

Source: VNDIRECT Research, Company report

### Revenue surged driven by strong rebound in gold bar sales

In 1Q26, PNJ reported total revenue of VND17.2tn (USD654mn), up 79% YoY, primarily attributed to a surge in gold bar sales by 322% to VND7.4tn (USD281mn), driven by high demand amid a surge in gold price, combined with recovered material input thanks to a new repurchase policy and modernization retail trend impacted by the general household tax compliance requirement.

Meanwhile, retail sales also sharply increased 23% YoY to VND8.2tn (USD311.8mn) due to high demand during the Tet holiday and wedding season.

PNJ's 1Q26 revenue filled 40% of our forecast and 35% of the company's guidance.

### Gross margin narrowed due to a product mix shift

In 1Q26, PNJ opened two new stores and closed three ineffective stores. Overall, store count slightly changed while same store sales remarkably improved 23% YoY to VND6.4bn (USD243,000)/month, reflecting booming sales and an effective store coverage restructuring.

1Q26 gross profit improved 68% YoY to VND3.4tn (USD129.2mn), in which gross margin narrowed by 1.3% pts YoY to 20%, due to a rebound of gold bar sales, which had a small margin compared to jewelry.

### Net profit doubled thanks to better-than-expected sales and cost control

The SG&A expenses/sales ratio dropped by 3% pts to 7.8% in 1Q26 amid SSS improvement and operation optimization. On the other hand, financial income increased 38% YoY, mostly driven by increased deposit interest income (VND43bn/USD1.6mn, +67% YoY), which more than offset the increasing impact of borrowing interest expenses (VND51bn/USD1.9mn, +79%).

Overall, PNJ's net profit in 1Q26 surged 116% YoY to VND1.5tn (USD57mn). 1Q26 net profit fulfilled 47% of our forecast and 43% of the company's guidance. NPAT margin widened by 1.6% pts YoY to 8.5% thanks to outperforming sales and expense optimization.

## Appendix 3: Key financial projections

<b>Income statement</b>						
(VNDbn)	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027F</b>	<b>2028F</b>
<b>Net revenue</b>	<b>33,137</b>	<b>37,823</b>	<b>34,976</b>	<b>46,519</b>	<b>54,093</b>	<b>61,368</b>
Retail	19,286	22,051	24,343	29,182	32,987	36,863
24K gold	10,438	11,649	6,610	11,589	13,621	15,128
Wholesale	2,817	3,782	3,847	5,193	6,751	8,439
Cost of sales	(27,078)	(31,149)	(27,273)	(37,419)	(43,647)	(49,730)
<b>Gross Profit</b>	<b>6,059</b>	<b>6,674</b>	<b>7,703</b>	<b>9,100</b>	<b>10,446</b>	<b>11,638</b>
Gen & admin expenses	(694)	(796)	(873)	(899)	(918)	(927)
Selling expenses	(2,836)	(3,208)	(3,293)	(3,406)	(3,478)	(3,562)
Operating EBITDA	<b>2,610</b>	<b>2,751</b>	<b>3,622</b>	<b>4,874</b>	<b>6,141</b>	<b>7,253</b>
Depreciation and amortization	81	81	85	79	91	104
<b>Operating EBIT</b>	<b>2,529</b>	<b>2,670</b>	<b>3,537</b>	<b>4,795</b>	<b>6,050</b>	<b>7,149</b>
Interest income	(119)	(47)	(119)	(180)	(209)	(167)
Financial expense	(143)	(94)	(165)	(180)	(209)	(167)
Net other income	5	(1)	69	(9)	(11)	(12)
Income from associates & JVs	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>2,489</b>	<b>2,651</b>	<b>3,589</b>	<b>4,837</b>	<b>6,138</b>	<b>7,365</b>
Tax expense	(518)	(538)	(720)	(972)	(1,234)	(1,480)
<b>Net profit</b>	<b>1,971</b>	<b>2,113</b>	<b>2,869</b>	<b>3,865</b>	<b>4,904</b>	<b>5,885</b>

<b>Balance sheet</b>						
(VNDbn)	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027F</b>	<b>2028F</b>
Cash and equivalents	896	1,123	522	1,372	3,099	3,258
Short-term investments	810	1,020	2,007	3,117	4,165	5,339
Accounts receivable	217	401	157	350	450	451
Inventories	10,941	13,015	15,836	19,850	21,646	23,750
Other current assets	96	133	96	140	162	184
<b>Total current assets</b>	<b>12,960</b>	<b>15,692</b>	<b>18,618</b>	<b>24,829</b>	<b>29,522</b>	<b>32,982</b>
Fixed assets	883	857	857	1,009	1,183	1,382
Total investments	33	69	101	95	95	95
Other long-term assets	449	474	472	628	730	828
LT receivables	105	116	121	140	162	184
<b>Total non-current assets</b>	<b>1,470</b>	<b>1,516</b>	<b>1,551</b>	<b>1,872</b>	<b>2,170</b>	<b>2,489</b>
<b>Total assets</b>	<b>14,430</b>	<b>17,208</b>	<b>20,169</b>	<b>26,701</b>	<b>31,692</b>	<b>35,471</b>
<b>Current liabilities</b>						
Short-term debt	2,384	3,342	4,223	5,615	6,529	5,216
Accounts payable	255	624	334	341	374	425
Other current liabilities	1,675	1,949	2,293	2,835	3,302	3,881
<b>Total current liabilities</b>	<b>4,613</b>	<b>5,942</b>	<b>6,877</b>	<b>8,828</b>	<b>10,248</b>	<b>9,571</b>
Total long-term debt	-	-	-	-	-	-
Other liabilities	11	11	16	2,764	3,475	4,104
<b>Total liabilities</b>	<b>11</b>	<b>11</b>	<b>16</b>	<b>2,764</b>	<b>3,475</b>	<b>4,104</b>
Charter capital	3,282	3,381	3,413	5,145	5,177	5,209
Share premium	1,851	1,950	1,983	251	219	187
Treasury share	(3)	(3)	(3)	(3)	(3)	(3)
R&D fund	1,936	2,626	3,471	4,677	5,934	7,121
Retained earnings reserve	2,740	3,301	4,412	5,039	6,642	9,282
<b>Shareholder equity</b>	<b>9,806</b>	<b>11,255</b>	<b>13,276</b>	<b>15,109</b>	<b>17,969</b>	<b>21,796</b>
<b>Total resources</b>	<b>14,430</b>	<b>17,208</b>	<b>20,169</b>	<b>26,701</b>	<b>31,692</b>	<b>35,471</b>

## Cash flow statement

(VNDbn)	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027F</b>	<b>2028F</b>
<b>Pretax profit</b>	<b>2,489</b>	<b>2,651</b>	<b>3,549</b>	<b>4,837</b>	<b>6,138</b>	<b>7,365</b>
Depreciation & amortization	81	81	85	79	91	104
Tax paid	(466)	(555)	(607)	(972)	(1,234)	(1,480)
Other adjustments	38	0	8	(42)	(88)	(216)
Change in working capital	(660)	(2,171)	(2,983)	(3,674)	(1,695)	(1,737)
<b>Cash flow from operations</b>	<b>1,502</b>	<b>85</b>	<b>28</b>	<b>228</b>	<b>3,212</b>	<b>4,036</b>
Capex	(82)	(90)	(125)	(231)	(265)	(303)
Increase in financial investment	(564)	(160)	(859)	(1,104)	(1,048)	(1,174)
Proceeds from assets sales	1	0	0	0	0	0
Other non-current assets changes	68	39	82	(156)	(102)	(98)
<b>Cash flow from investing activities</b>	<b>(577)</b>	<b>(211)</b>	<b>(902)</b>	<b>(1,491)</b>	<b>(1,415)</b>	<b>(1,575)</b>
New share issuance	0	67	65	1,732	32	32
Shares buyback	0	0	0	0	0	0
Net borrowings	(298)	956	881	1,392	914	(1,313)
Other financing cash flow	0	0	0	0	0	0
Dividends paid	(611)	(672)	(674)	(1,016)	(1,022)	(1,029)
<b>Cash flow from financing activities</b>	<b>(909)</b>	<b>351</b>	<b>272</b>	<b>2,108</b>	<b>(76)</b>	<b>(2,310)</b>
Beginning cash and equivalents	880	896	1,123	522	1,371	3,098
Total cash generated	16	225	(602)	845	1,721	151
<b>Ending cash &amp; equivalents balance</b>	<b>896</b>	<b>1,123</b>	<b>522</b>	<b>1,371</b>	<b>3,098</b>	<b>3,257</b>

## Key ratios

<b>Valuation Ratios</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027F</b>	<b>2028F</b>
EPS (VND)	4,315	4,626	6,281	8,461	10,736	12,884
Price Earnings	19.5	21.0	15.3	12.1	9.5	7.9
One-year PEG	2.2	2.9	0.4	0.3	0.4	0.4
Price to Sales	2.5	2.6	2.8	2.2	1.9	1.7
Price to Book	2.3	2.4	2.1	2.5	2.1	1.8
Dividend Yield	2.2%	2.0%	2.0%	1.9%	1.9%	1.9%
Dividend Payout Ratio	31.0%	31.8%	23.5%	26.3%	20.8%	17.5%
<b>Growth Rates</b>						
Net Revenue YoY	-2.2%	14.1%	-7.5%	33.0%	16.3%	13.4%
Gross Profit YoY	2.2%	10.2%	15.4%	18.1%	14.8%	11.4%
Net Profit YoY	8.8%	7.2%	35.8%	34.7%	26.9%	20.0%
EPS YoY	8.8%	7.2%	35.8%	34.7%	26.9%	20.0%
<b>Profitability Ratios</b>						
Gross Margin	18.3%	17.6%	22.0%	19.6%	19.3%	19.0%
EBITDA Margin	7.9%	7.3%	10.4%	10.5%	11.4%	11.8%
Operating Margin	7.6%	7.1%	10.1%	10.3%	11.2%	11.6%
Net Profit Margin	5.9%	5.6%	8.2%	8.3%	9.1%	9.6%
Return on Avg Assets	14.0%	12.0%	14.0%	14.5%	15.5%	16.6%
Return on Avg Equity	20.0%	19.0%	22.0%	25.6%	27.3%	27.0%
<b>Leverage Ratios</b>						
Interest Coverage Ratio (EBIT/I)	21.3	56.8	29.7	26.6	28.9	42.8
EBITDA / (I + Cap Ex)	13.0	20.1	14.8	11.9	13.0	15.4
Total Debt/Capital	0.2	0.2	0.2	0.3	0.3	0.2
Total Debt/Equity	0.2	0.3	0.3	0.4	0.4	0.2
Net Debt/Equity	0.2	0.2	0.3	0.3	0.2	0.1
<b>Liquidity Ratios</b>						
Asset Turnover	2.4	2.4	1.9	2.0	1.9	1.8
Accounts Receivable Turnover	127.7	122.4	125.4	183.5	135.2	136.2
DSO	2.8	2.9	2.9	2.0	2.7	2.6
Accounts Payable Turnover	101.8	70.9	56.9	110.9	122.1	124.5
DPO	3.5	5.1	6.3	3.2	2.9	2.9
Inventory Turnover	2.5	2.6	1.9	2.1	2.1	2.2
DIH	144.0	138.5	189.5	171.4	171.4	163.6
Current Ratio	5.4	4.7	4.4	4.4	4.5	6.3
Quick Ratio	0.7	0.6	0.6	0.8	1.1	1.6

**DISCLAIMER**

This report has been written and distributed by Research Department, VNDIRECT Securities Corporation. The information contained in this report is prepared from data believed to be correct and reliable at the time of issuance of this report. Unless otherwise stated, this report is based upon sources that VNDIRECT considers to be reliable. These sources may include but are not limited to data from the stock exchange or market where the subject security is listed, or, where appropriate, any other market. Information on the company(ies) are based on published statements, information disclosure and announcements of the company(ies), and information resulting from our research. VNDIRECT has no responsibility for the accuracy, adequacy or completeness of such information.

All estimates, projections, forecasts and expression of opinions contained in this report reflect the personal views and opinions of the analyst(s) responsible for the production of this report. These opinions may not represent the views and position of VNDIRECT and may change without notice.

This report has been prepared for information purposes only. The information and opinions in this report should not be considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments. VNDIRECT takes no responsibility for any consequences arising from using the content of this report in any form.

This report and all of its content belongs to VNDIRECT. No part of this report may be copied or reproduced in any form or redistributed in whole or in part, for any purpose without the prior written consent of VNDIRECT.

**RECOMMENDATION FRAMEWORK**

**Stock Ratings**

Definition:

- Add           The stock's total return is expected to reach 15% or higher over the next 12 months.
- Hold           The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
- Reduce        The stock's total return is expected to fall below negative 10% over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

**Sector Ratings**

Definition:

- Overweight    An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral        A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight   An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

**Phuong Hoang Viet – Director of Research and Investment Advisory Center**

Email: [phuong.hoangviet@vndirect.com.vn](mailto:phuong.hoangviet@vndirect.com.vn)

**Pham Thi Bich Ngoc – Head of Consumer and Retail**

Email: [ngoc.phambich@vndirect.com.vn](mailto:ngoc.phambich@vndirect.com.vn)

**VNDIRECT Securities Corporation**

1 Nguyen Thuong Hien Str – Hai Ba Trung Dist – Ha Noi

Tel: +84 2439724568

Email: [research@vndirect.com.vn](mailto:research@vndirect.com.vn)

Website: <https://vndirect.com.vn>