

Phu Nhuan Jewelry (PNJ)

July 2022 Brief: Stable performance

On Aug 22, Phu Nhuan Jewelry (PNJ) released the performance report for July 2022. Here are some noticeable updates.

PNJ's performance soared in July 2022

- PNJ's net revenue in July 2022 increased to VND2.5tn, up 413.6% yoy (-4% mom). Net profit in July 2022 positively rose to VND79bn (-4% mom, vs loss of VND32 in July 2021).
- For 7M22, revenue surged by 70.9% yoy to VND20.7tn, and NPAT climbed by +66.1% yoy to VND1,167bn, which fulfilled 80.2% and 88.4% of guidance.
- In 7M22, retail sales (59.2% of total sales) increased by 77.8% yoy to VND12.3tn thanks to a solid recovery, new stores, and the efficiency of marketing activities. Similarly, wholesale sales (12% of total sales) grew by 49.9% yoy to VND2.5tn driven by better product design.
- In 7M22, Gold bars sales (24.4% of total sales) increased by 76.1% yoy to VND5.7tn due to high demand amid the rising inflation rate.
- The 7M22 blended gross profit margin was 17.4% lower than 18.6% in 7M21 owing to an increase in gold bars sales proportion and changes in the retail product mix.
- By the end of July 2022, the PNJ chain had 351 stores. In 7M22, the PNJ chain opened 19 stores and upgraded 11 PNJ Gold stores, opened 2 PNJ Style stores, and closed 6 PNJ Gold and 6 PNJ Silver stores.

12M rating **Non-rated**

12M TP **N.A**

Up/Downside N.a

Stock Data

VNIndex (23 Aug, pt)	1,271
Stock price (23 Aug, VND)	114,500
Market cap (USD mn)	1,184
Shares outstanding (mn)	242
52-Week high/low (VND)	129,500/83,856
6M avg. daily turnover (USD mn)	4.88
Free float / Foreign ownership (%)	83.1/49.0

Major shareholders (%)	
VinaCapital Vietnam Opportunity Fund Ltd.	8.48

Performance

	1M	6M	12M
Absolute (%)	0.0	5.6	31.5
Relative to VNIndex (%p)	(6.4)	20.8	32.2

Stock price trend



Source: Bloomberg

	2017A	2018A	2019A	2020A	2021A
Sales (VND bn)	10,977	14,571	17,001	17,511	19,547
chg. (% YoY)	27.9	32.7	16.7	3.0	11.6
Operating profit (VND bn)	949	1,263	1,623	1,508	1,409
Net profit (VND bn)	725	960	1,194	1,069	1,029
EPS (VND)	4,184	5,415	4,963	4,325	2,597
chg. (% YoY)	61.1	29.4	(8.3)	(12.9)	(40.0)
EBITDA (VND bn)	988	1,305	1,684	1,580	1,484
PE (x)	27.2	21.1	23.0	26.4	43.9
EV/EBITDA (x)	13.0	15.6	16.7	17.3	19.1
PB (x)	4.2	5.1	5.6	5.0	4.3
ROE (%)	49.2	28.7	28.7	21.8	18.3
Dividend yield (%)	1.5	1.4	1.3	1.4	0.7

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

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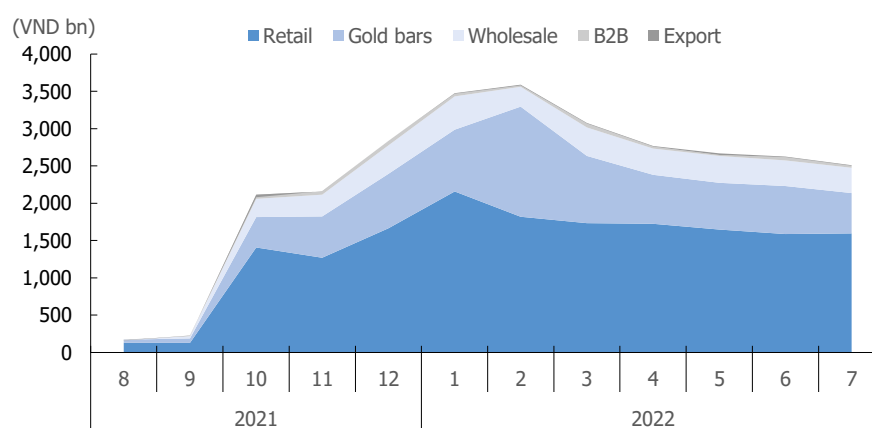
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Table 1. Revenue growth

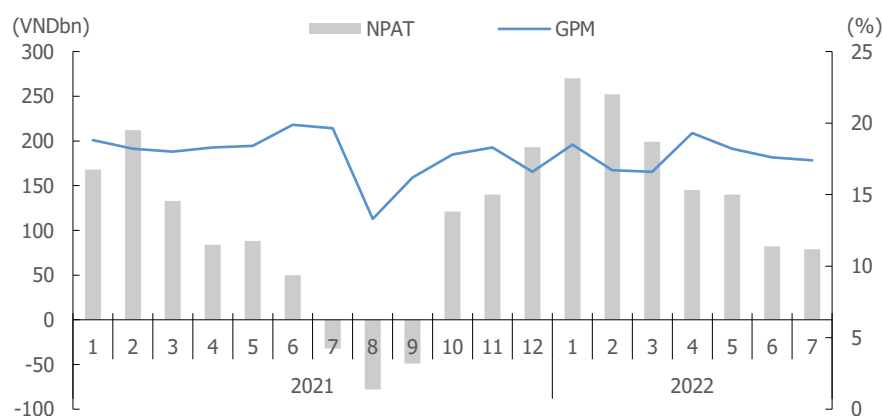
(VND bn, %)

	Monthly				Accumulated		
	July-21	July-22	MoM	YoY	7M21	7M22	YoY
Retail	290	1,596	0.6	450.5	6,900	12,267	77.8
Wholesale	45	338	(1.0)	647.4	1,698	2,487	46.5
Gold bars	130	542	(16.2)	316.9	3,226	5,678	76.0
B2B	22	25	(40.0)	14.6	255	207	(18.6)
Export	2	10	(4.4)	413.5	49	83	70.9
Total revenue	489	2,511	(4.4)	413.5	12,126	20,721	70.9

Source: Company data, KIS

Figure 1. PNJ's revenue by product line in the last twelve months

Source: Company data, KIS

Figure 2. PNJ's NPAT and GPM in 2021 – 7M22 period

Source: Company data, KIS

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