

Consumer

Market leaders navigate tariff risks and sector consolidation

August 2025

Nam Hoang

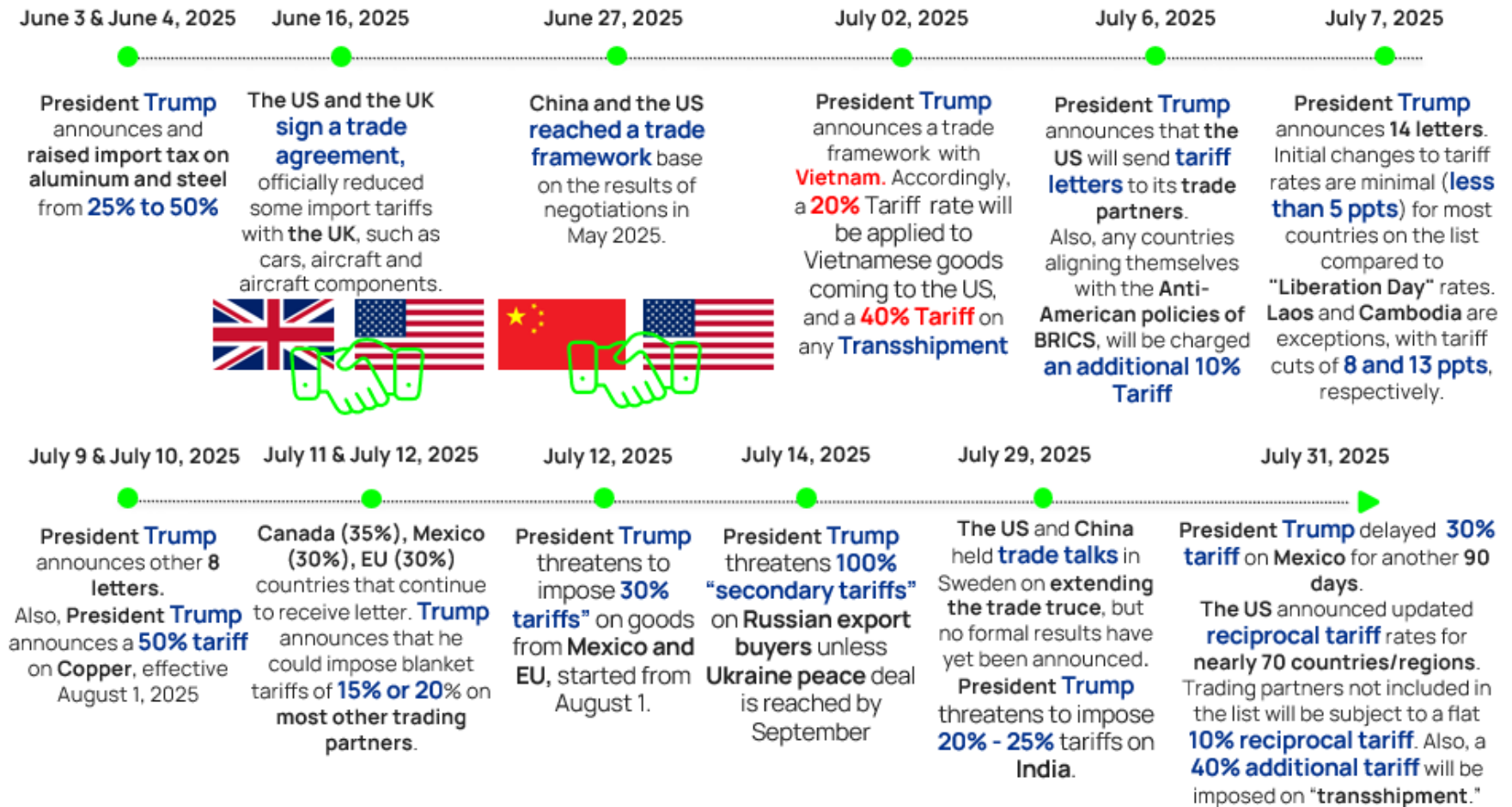
Head of Research

nam.hoang@vietcap.com.vn

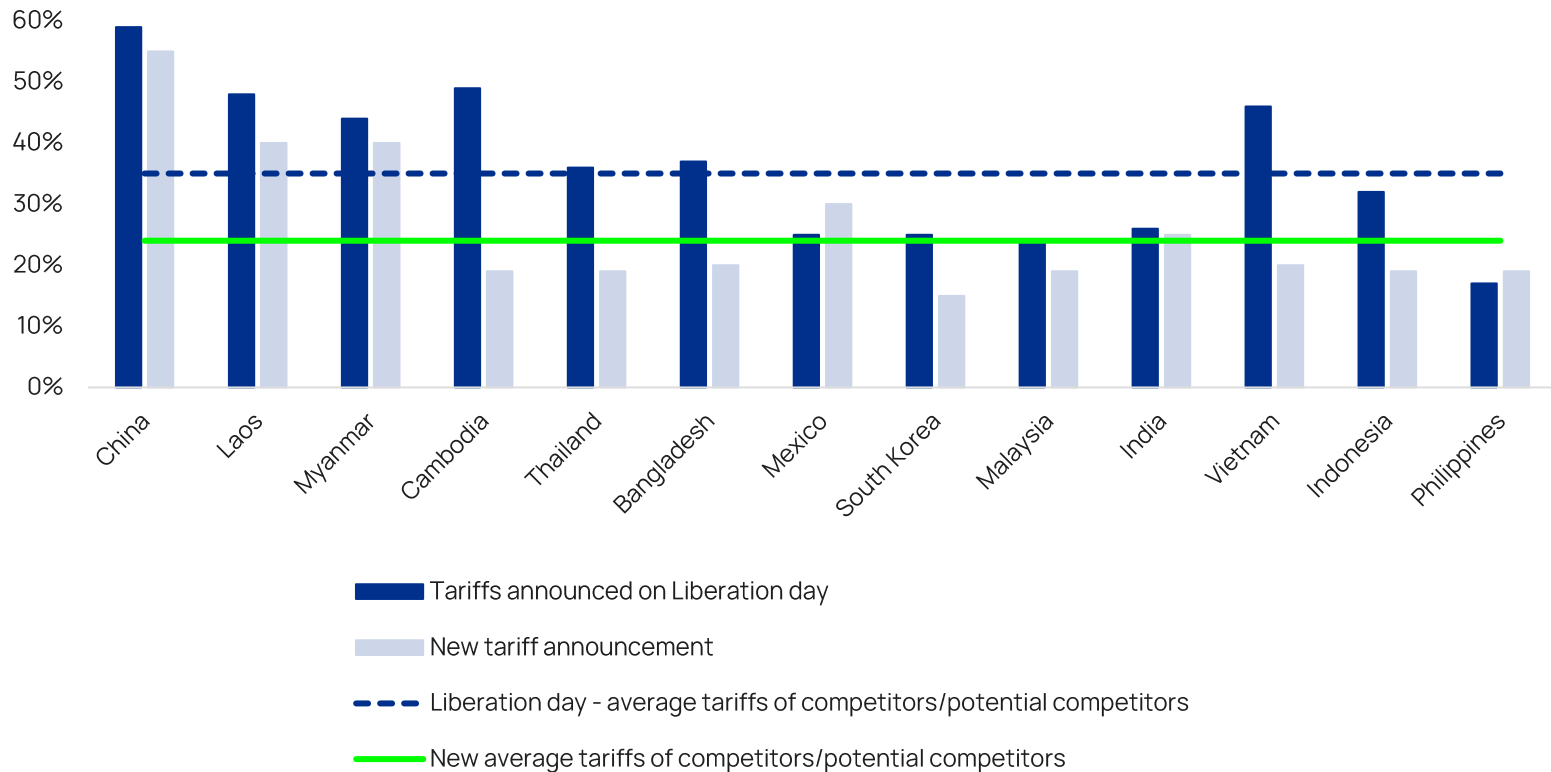
+8428 3914 3588 ext.124

Tariff uncertainty easing

President Trump's tariffs and threatened trade actions



US tariff on Vietnam vs peers



Source: White House, Vietcap compilation

* Peers: Southeast Asian countries excluding Brunei and Singapore, plus India and Bangladesh; Mexico and China pending)

- Liberation day average: 33% (Excl. China)

- New average: 24% (Excl. China and Mexico which have not finalized tariff rates)

“Transshipment” definition negotiation



US wants at least **60%** of a product's value added locally to qualify as “Made in India”



US demands a minimum **40%** local value addition (LVA) for a product to be labeled “Made in Bangladesh”



Low localization rate poses risks for higher tariff

High localization rate

Agriculture products
> 90%



Aquatic products
> 90%



Medium localization rate

Textile/garment
> 50%



Footwear
55%



Wood & wood products
> 50%



Low localization rate

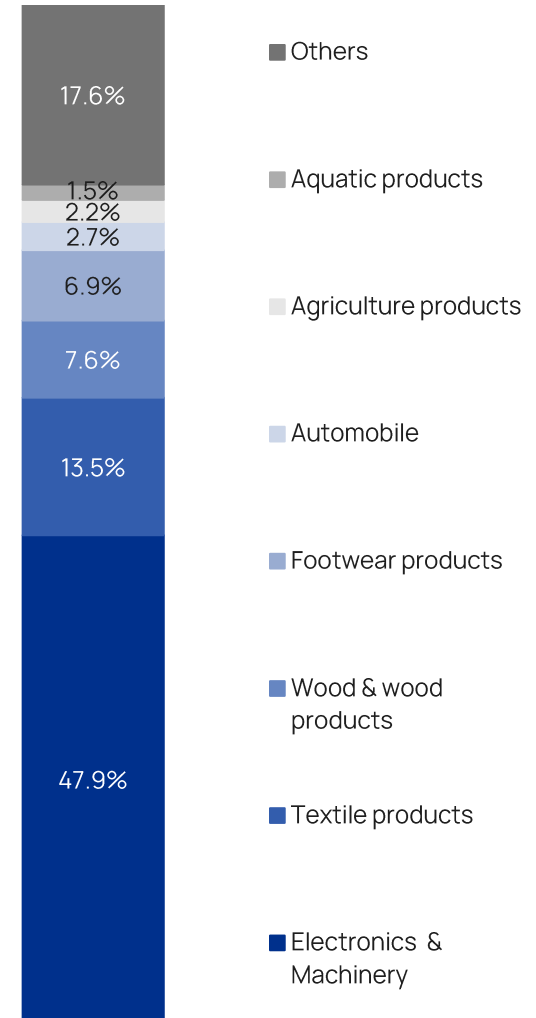
Electronics & Machinery
10-40%



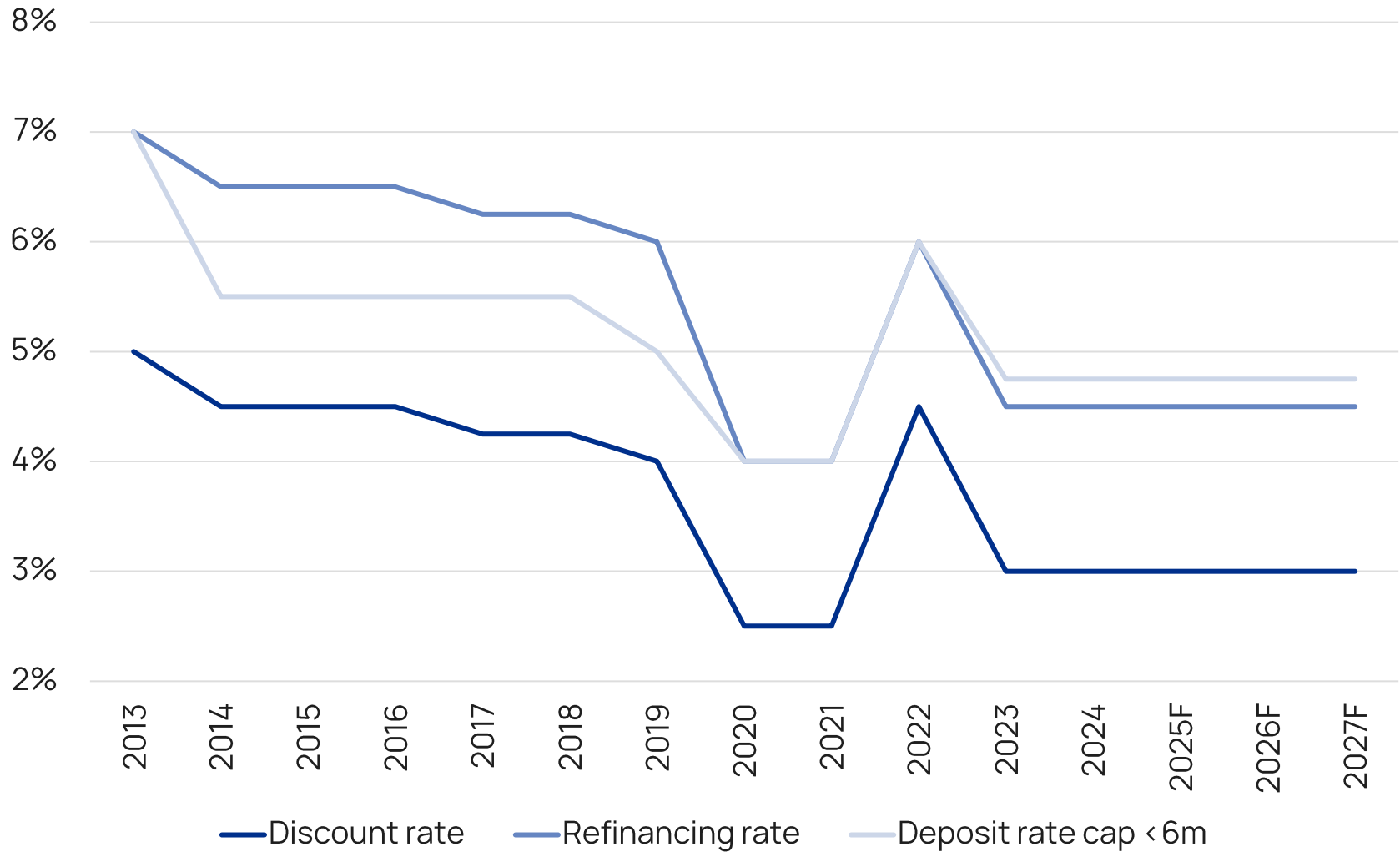
Automobile
10-40%



Vietnam exports to US breakdown



SBV to maintain an accommodative monetary stance



Government raised public investment budget to boost growth

Breakdown of the State Budget

Unit: USD bn	H1 2025	% of annual plan	YoY %
Budget revenue	51.24	67.70%	28.30%
Domestic revenue	44.55	69.40%	33.30%
Revenue from crude oil	0.95	46.30%	-16.70%
Revenue from exports-imports	5.72	63.30%	6.50%
Others	0.02		
Budget expenditures	42.39	43.20%	38.50%
Current expenditures	29.85	49.50%	40.80%
Investment & development	10.31	33.90%	42.30%
Interest repayment	2.14	50.40%	-0.30%
Others	0.09		
Budget balance	8.85		

Impact on Vietnam's economy

TARIFF SCENARIOS	Tariff gap assumption	Est. 2025 GDP growth	Est. change in VND
	-15% to -5% (bull case)	8.2% (bull case)	-2.0% (bull case)
	-5% to + 5% (base case)	7.8% (base case)	-2.5% (base case)
	+5% to +15% (bear case)	7.2% (bear case)	-5.0% (bear case)

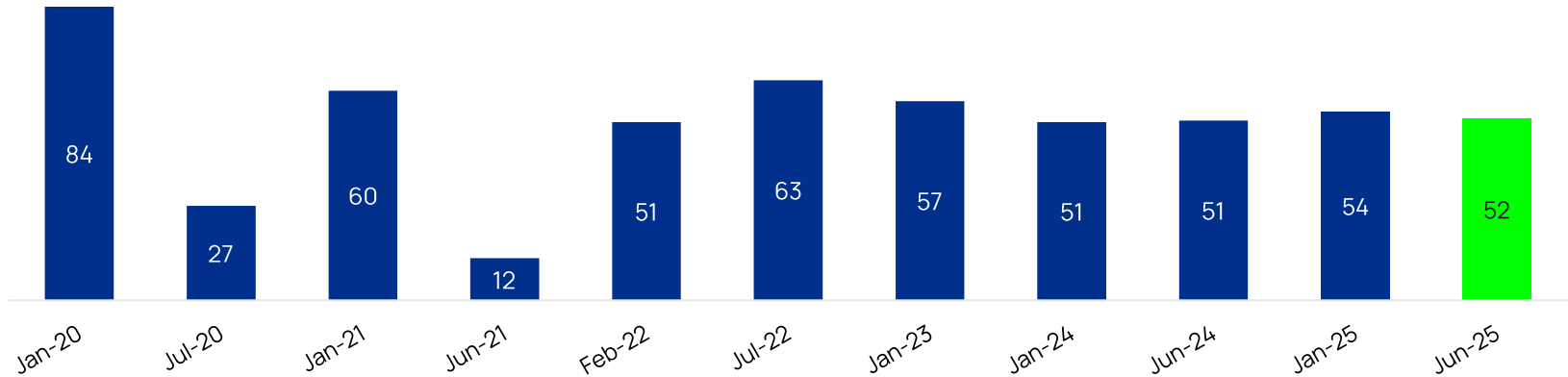
Note: In all cases, we assume US tariff on imports from Vietnam to be lower vs China.

() Assuming tariff gap between Vietnam vs its main/potential competitors– categorized by Vietcap.*

Source: Vietcap

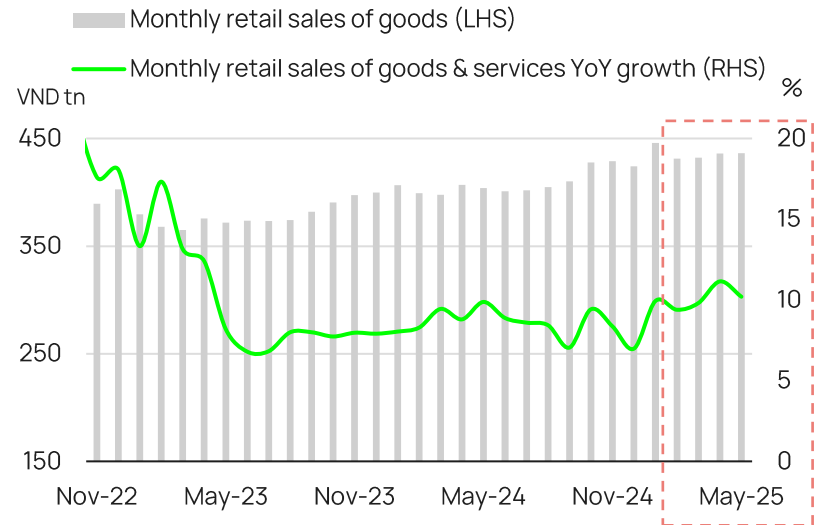
Consumption growth momentum is building

Consumer confidence remained stable but weakened in June 2025¹

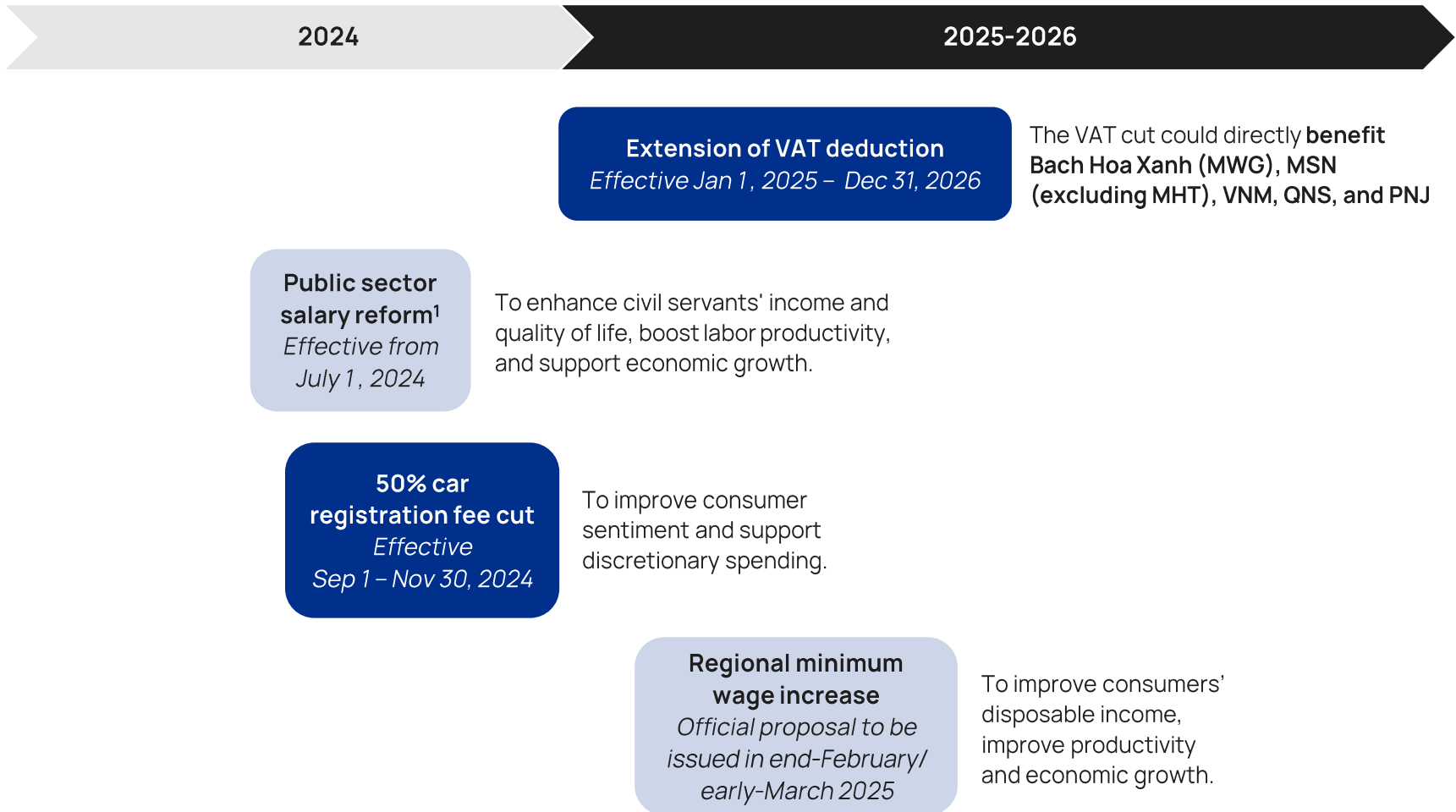


The S&P Global Vietnam Manufacturing Purchasing Managers' Index (PMI)

Vietnam's monthly retail sales



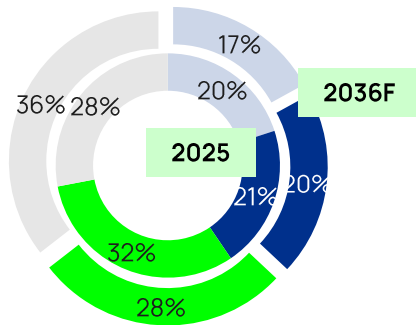
Policy support measures pave the way for 2025-2026's outlook



Long-term demographic advantages remain intact, supporting continued growth in consumption and modernization

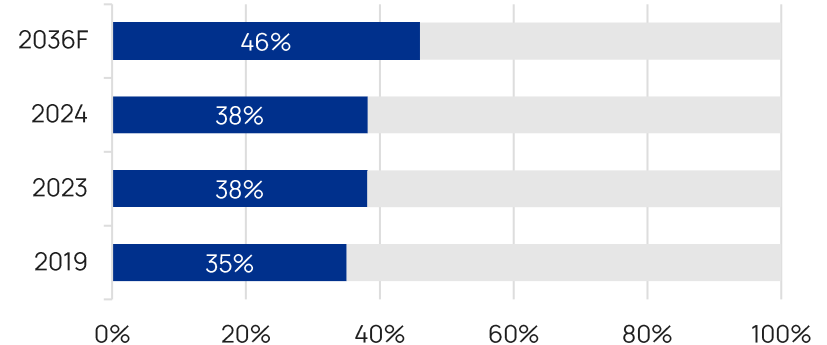
Vietnam's young demographics are expected to be maintained through 2036F

0-14 years old 15-29 years old 30-49 years old +50 years old

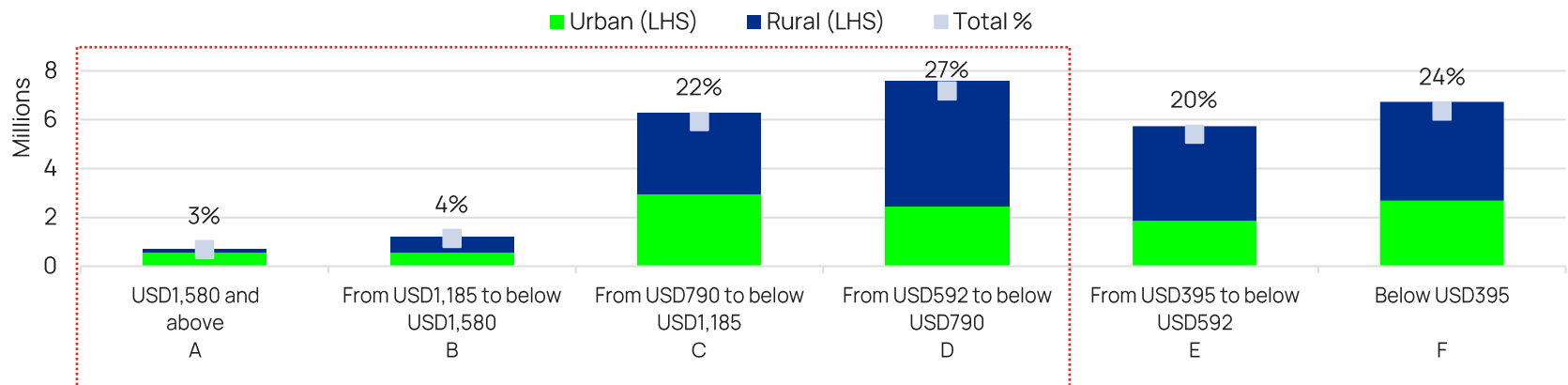


Rapid urbanization to drive modernization

Proportion of urban population Proportion of rural population



Consuming class with monthly income above USD592/VND15mn accounted for 56% of Vietnam's total households in 2024

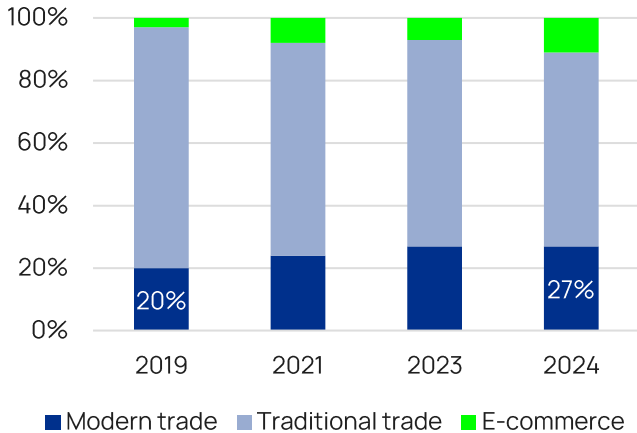


Key themes and outlook

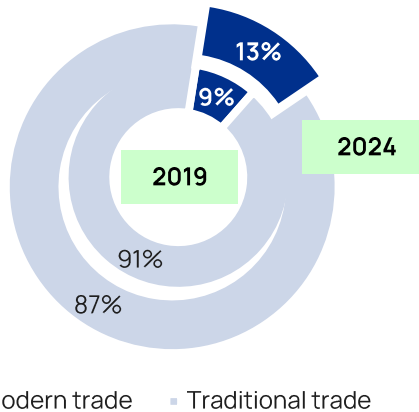
Morder retail to thrive

Modern trade becomes increasingly important; minimarts and pharmacies lead the expansion

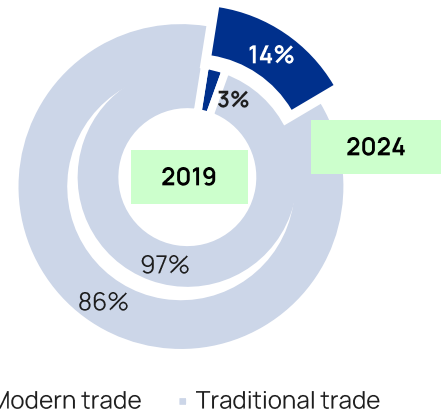
Vietnam's retail value contribution by channel



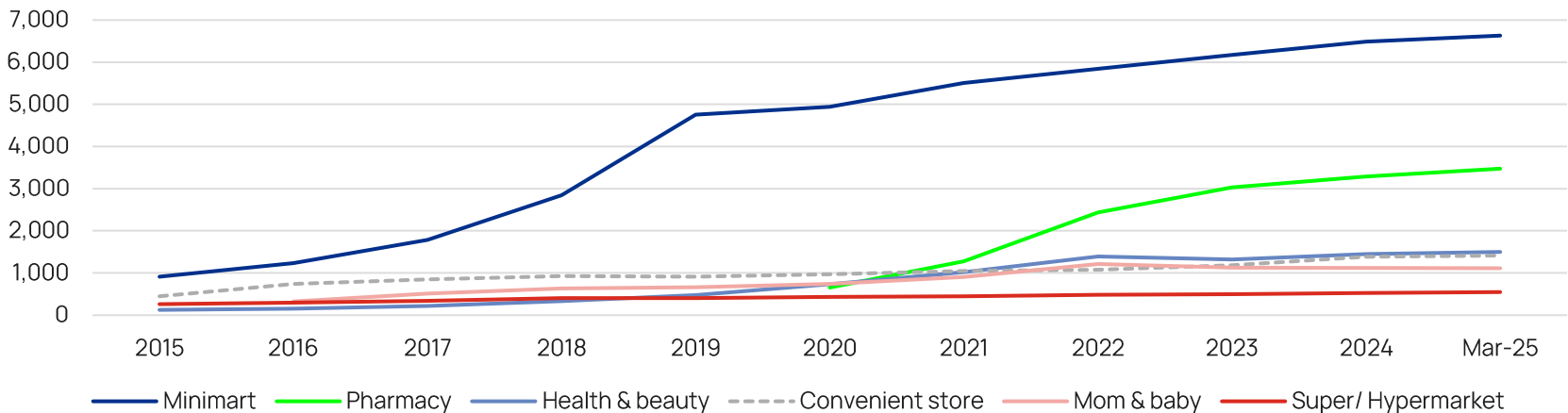
Grocery by channel



Pharmaceuticals by channel

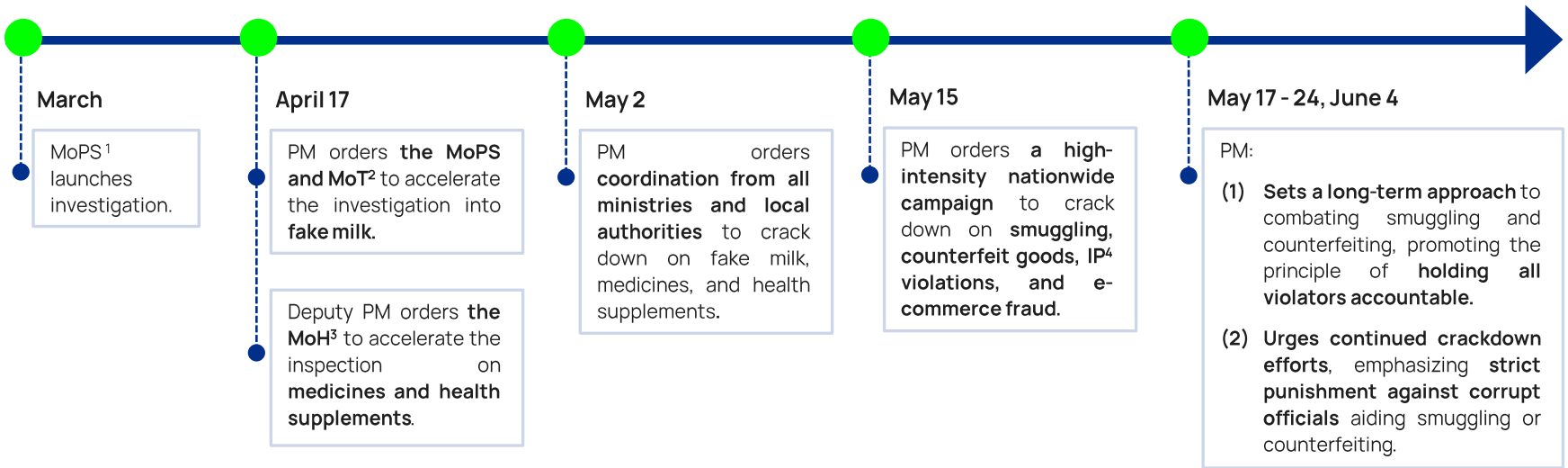


Minimarts and pharmacies lead the modern store expansion in Vietnam



Prime Minister (PM) established special task force to crack down on smuggling and counterfeit goods

Vietnamese Government's key directives on anti-smuggling and counterfeit control in 2025

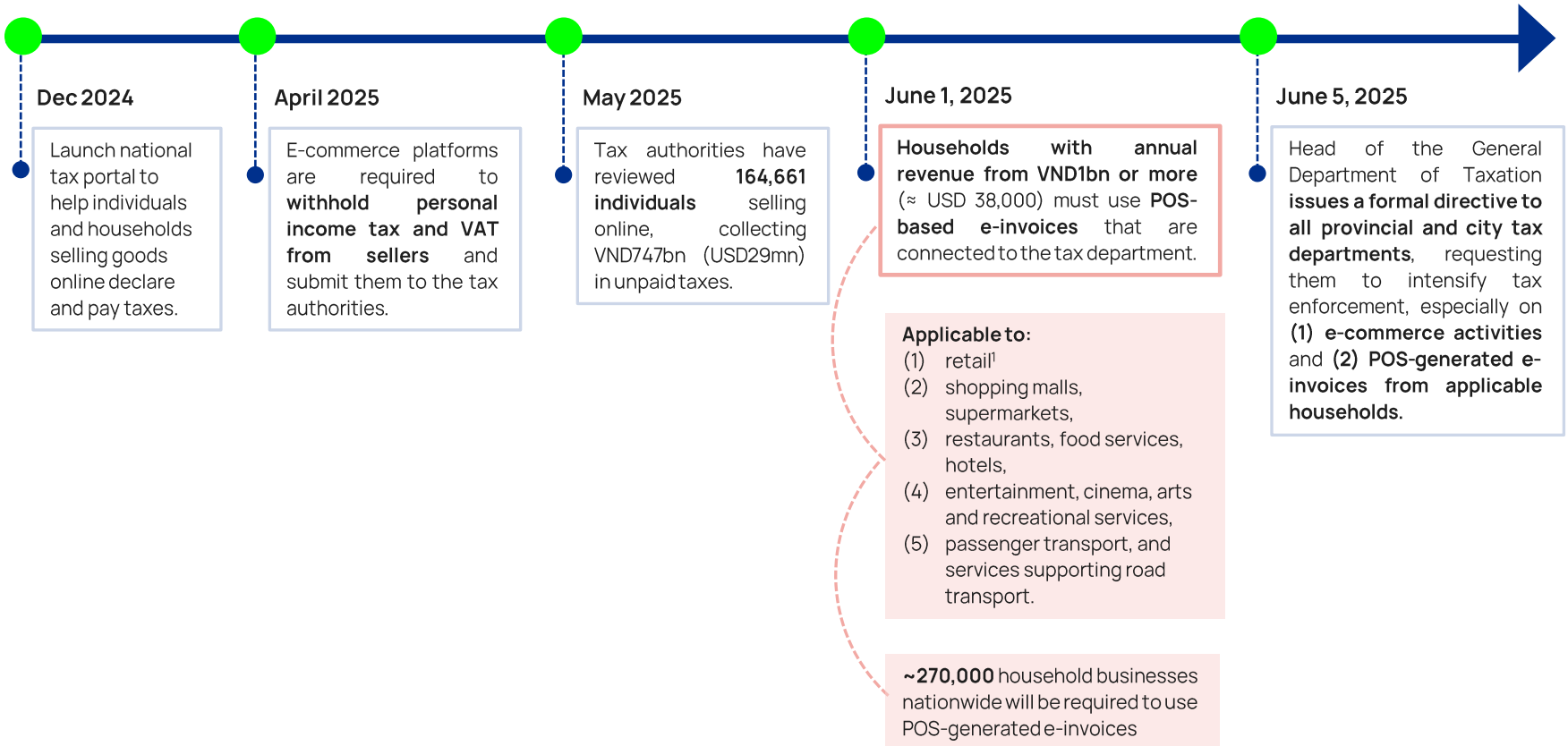


Initial outcomes and possible next steps

- Handling and resolving **>34,400** violations across multiple provinces:
 - (1) **>8,200** cases of trading smuggled goods
 - (2) **>25,100** cases of trade and tax fraud
 - (3) **>1,100** cases of counterfeit goods, mainly **food, medicine, supplements, cosmetics, and milk**
- Possible next steps:
 - (1) Proposing to the National Assembly to increase penalties for producing and trading counterfeit goods, fraud, and IP violations
 - (2) Improving regulation effectiveness and closing loopholes to better fight crimes

Government tightened tax compliance from e-commerce and household businesses

Vietnamese Government's actions to enforce tax compliance, especially targeting e-commerce and household businesses

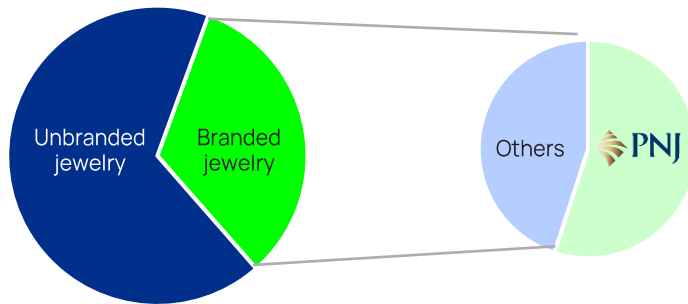


Key themes and outlook

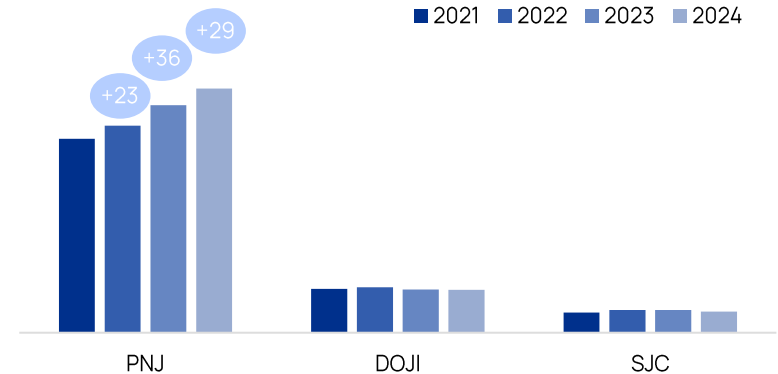
Leading players strengthen positions

Jewelry: PNJ's resilience and outperformance amid industry headwinds lay the foundation for sustainable long-term growth

Branded jewelry accounted for 33% of the jewelry market, with PNJ holding a dominant position in this segment



PNJ has continuously expanded its store network amid peers' sluggish store expansion

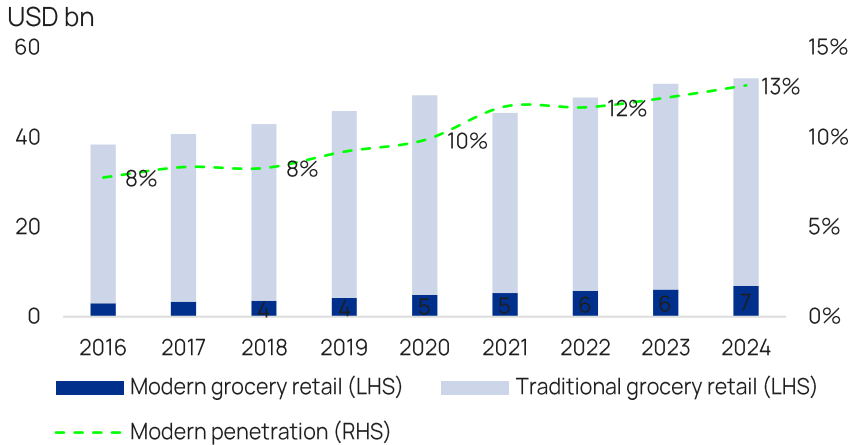


PNJ's retail sales outpaced the overall jewelry market¹

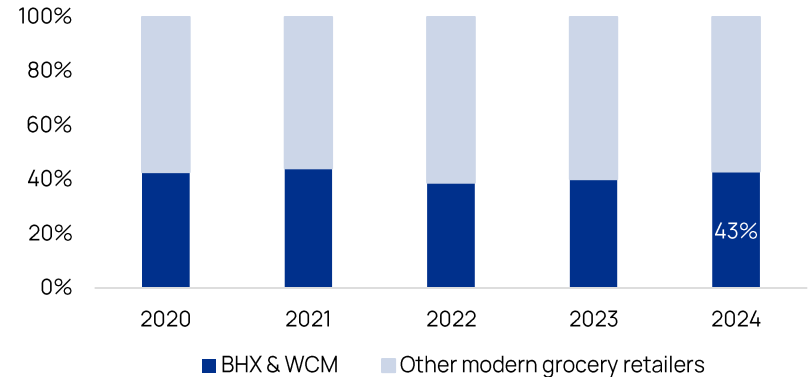


Grocery: Segment leader continues to strengthen its dominance

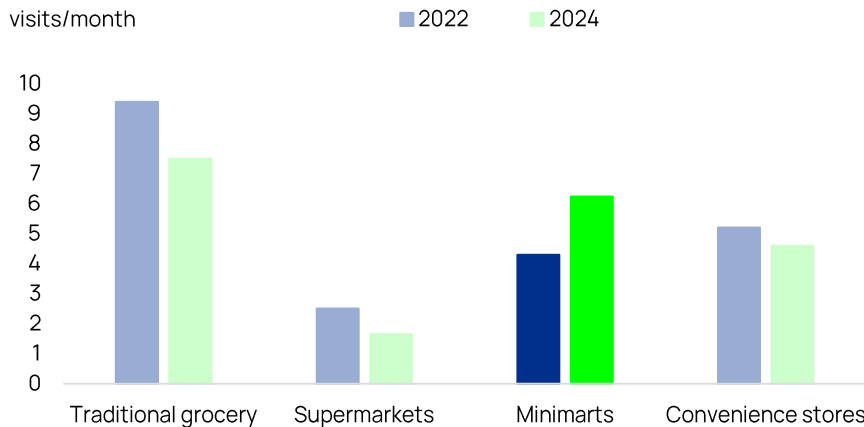
Vietnam's modern vs traditional grocery retail market value



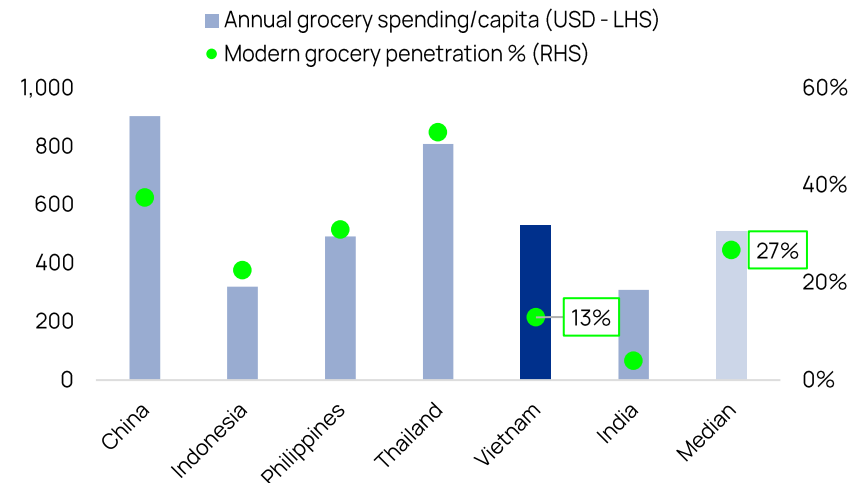
BHX & WCM dominate modern retail grocery market



Rising shift in customer visits toward minimarts

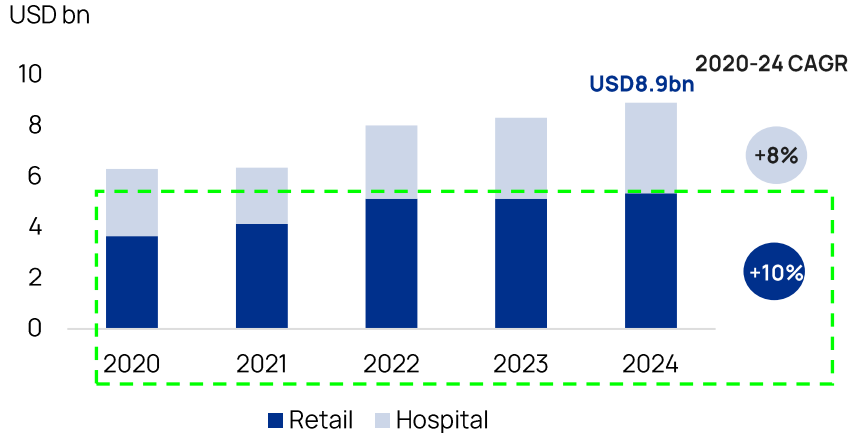


Modern grocery retail penetration in our selected Asian countries

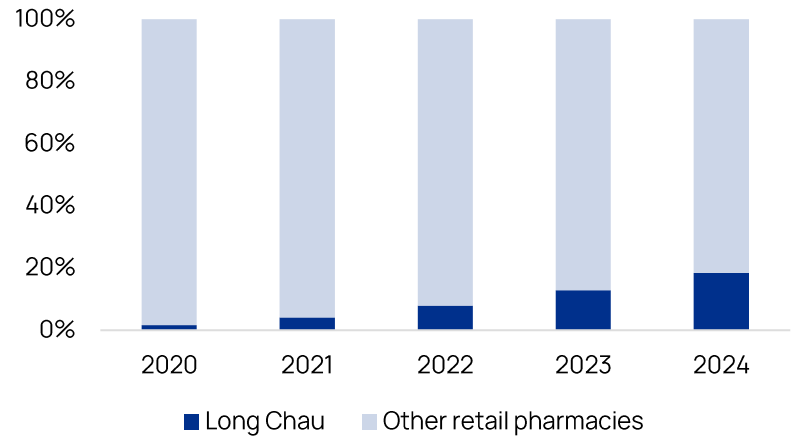


Pharmacy: Long Chau outgrows the competition in Vietnam's retail pharmacy landscape

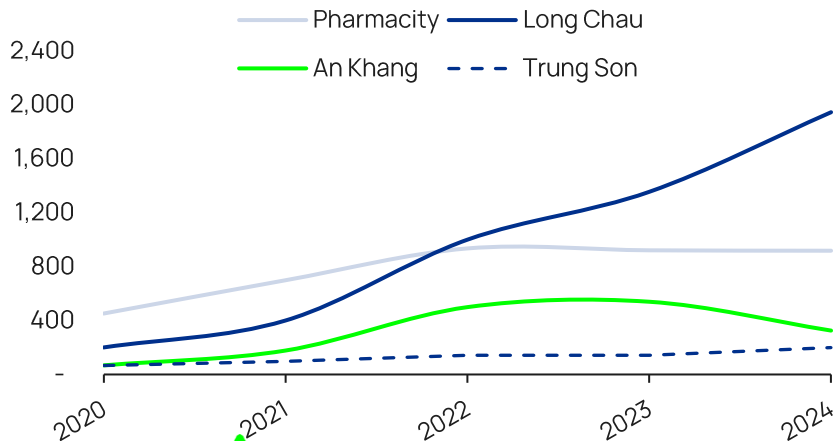
Retail channel continues to dominate Vietnam's pharmaceutical sales



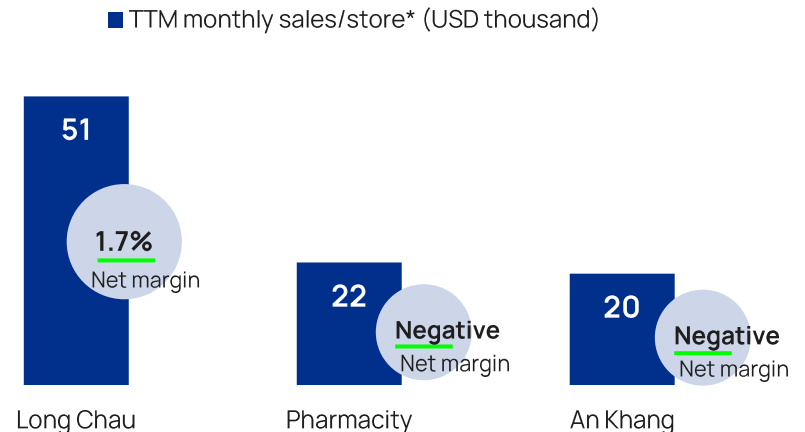
Long Chau's market share in retail pharmacy continues to widen



Expansion of key modern players

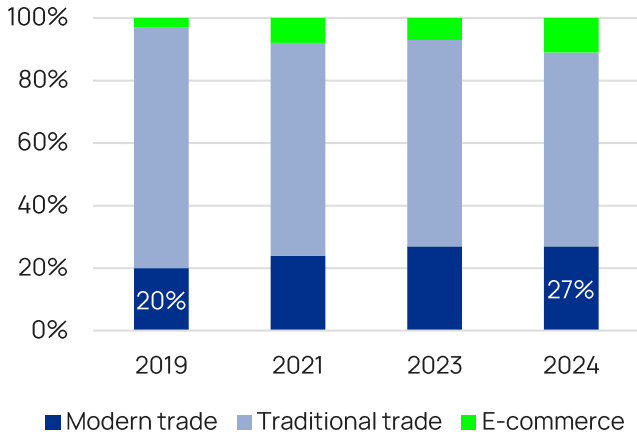


Key modern players' sales/store & profitability¹

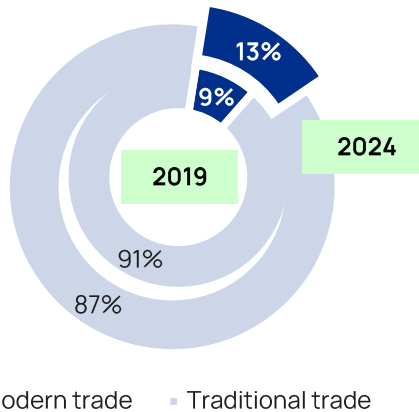


Modern trade becomes increasingly important; minimarts and pharmacies lead the expansion

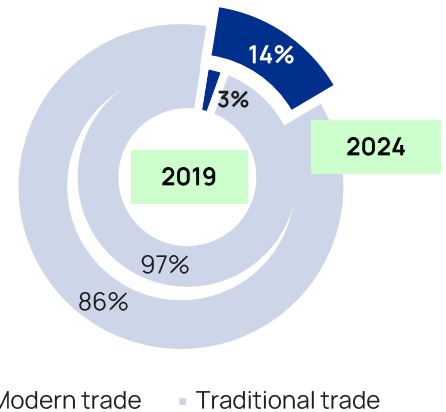
Vietnam's retail value contribution by channel



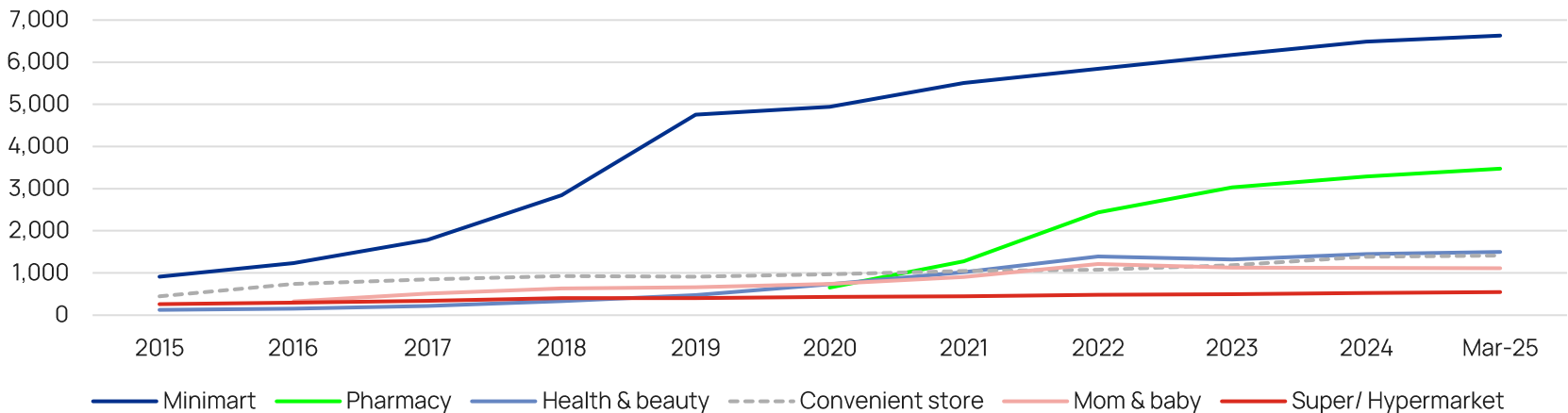
Grocery by channel



Pharmaceuticals by channel

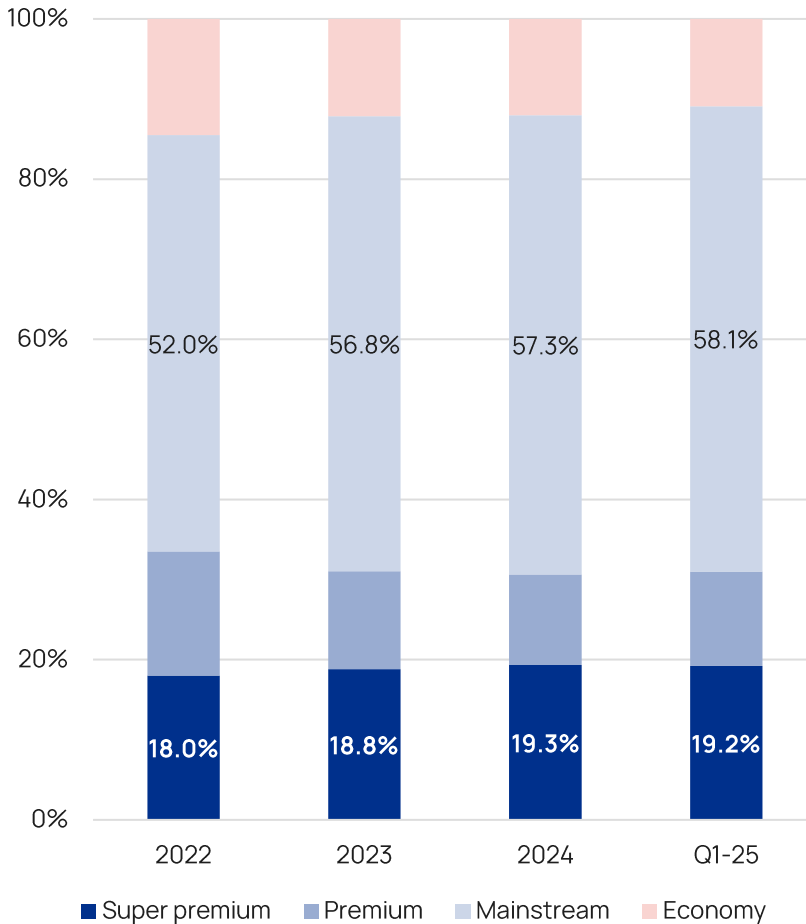


Minimarts and pharmacies lead the modern store expansion in Vietnam

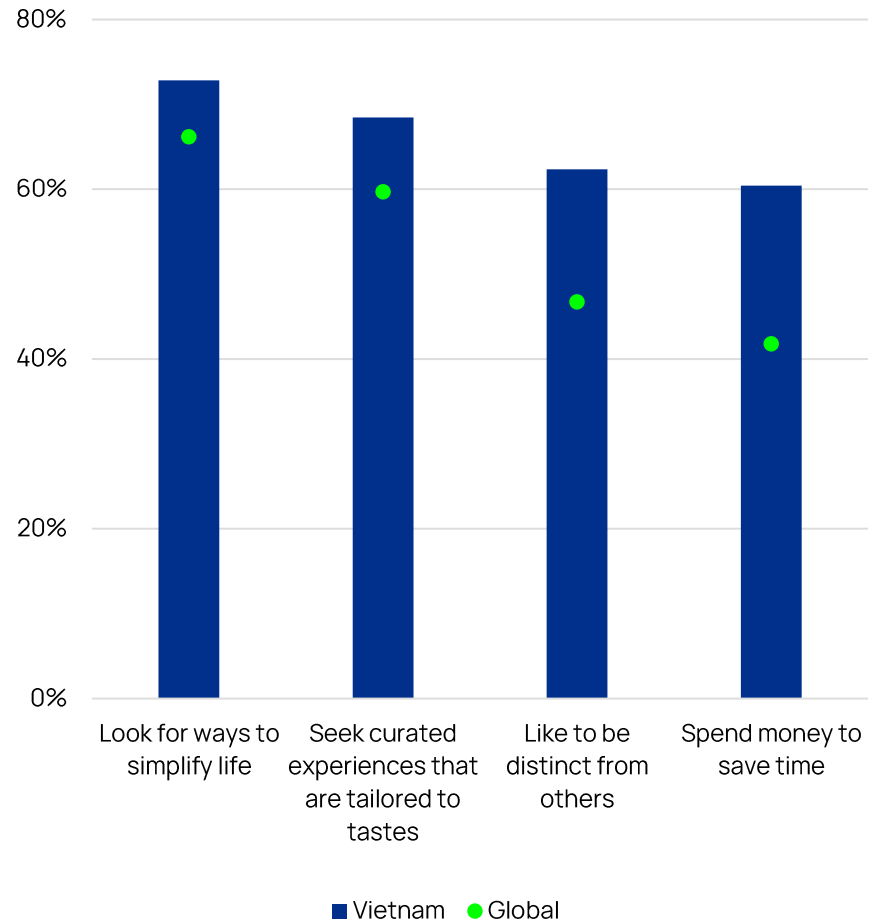


Premiumization continues as consumers trade up from economy to mainstream, and from premium to super premium

Vietnam's FMCG value contribution by price tier¹

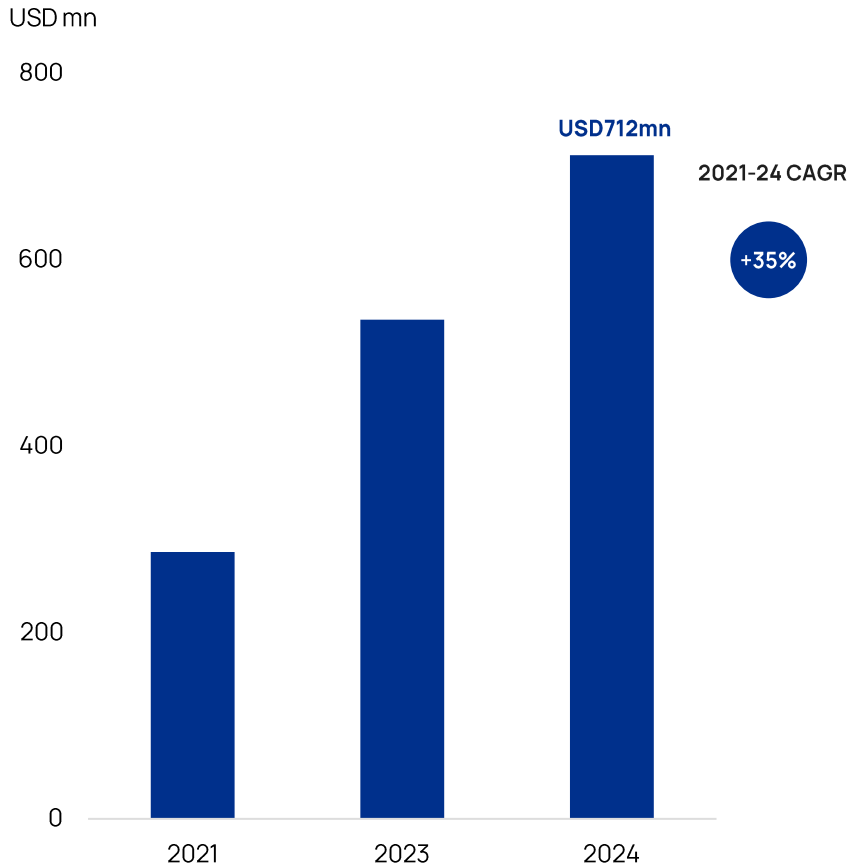


What drives consumer preference for premium offerings?²

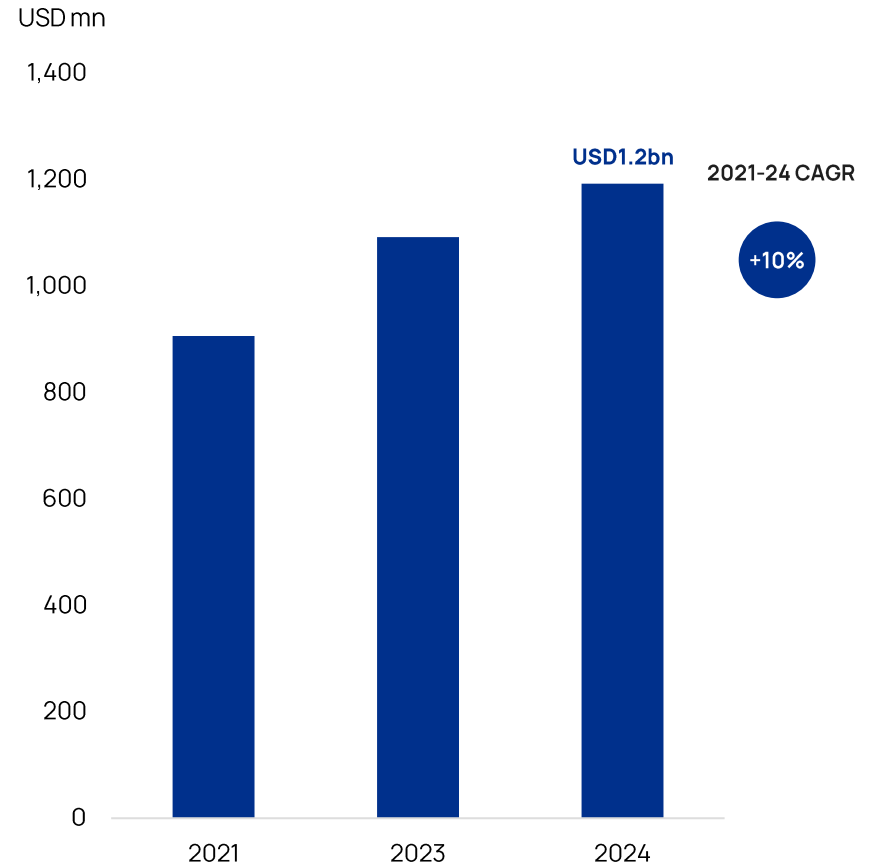


Heightened awareness of preventive healthcare













Vietnam's vaccine sales experienced substantial growth



Vietnam's sales of vitamins and dietary supplements



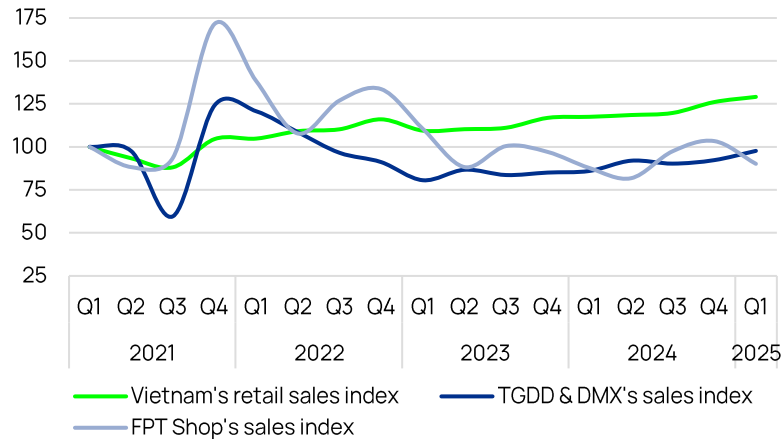
H1 2025 earnings wrap-up

		Sales growth YoY	Profitability changes YoY
ICT & CE retailers		+12%	GPM +3.9 ppts ¹
	 	+3%	GPM -1.0 ppts
Pharmaceutical retailers		+40%	NPM +0.5 ppts
Grocery retailers		+16%	OPM +0.7 ppts ¹
		+13%	OPM +1.8 ppts
Consumer manufacturers		-4%	GPM -1.0 ppts
		-1%	GPM -1.0 ppts
		-12% ²	GPM +3.2 ppts ²
		+17% ³	GPM +5.4 ppts ³
Luxury goods		+6% ⁴	GPM +1.4 ppts ⁴
	 VEAM CORP	+7% ⁵	ROE +6.6 ppts

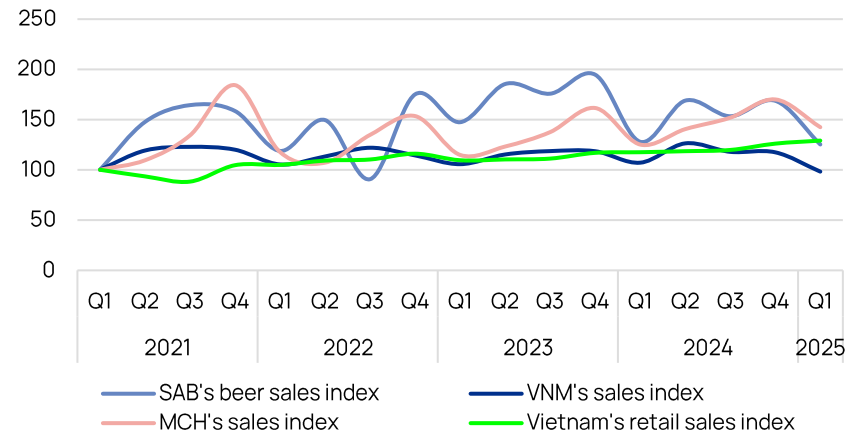
Consumer sector performance through economic slowdown

Consumer sector performance through economic slowdown

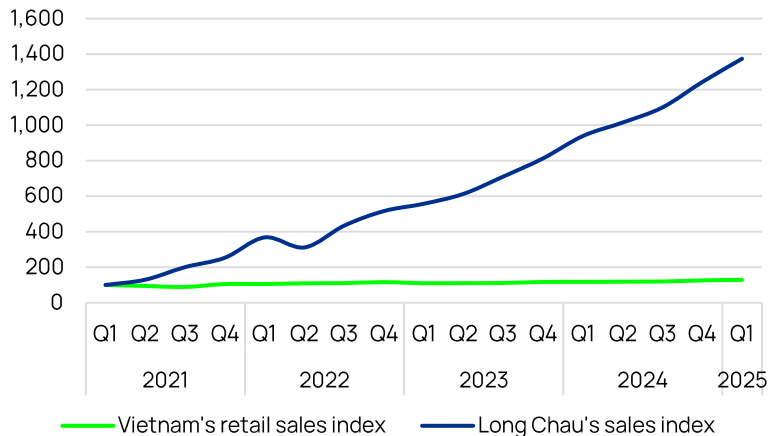
ICT retail sales slumped amid broad-based slowdown



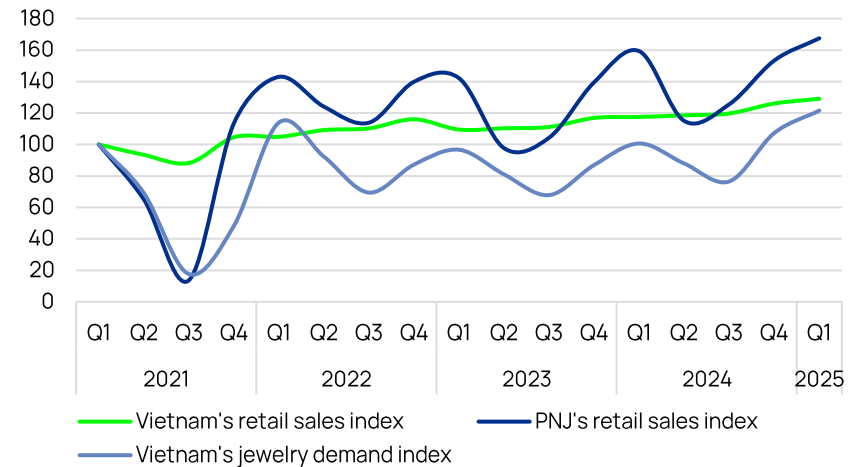
VNM, SAB tracked closely with retail sales trends; MCH remained solid



Long Chau delivered strong, sustained growth



PNJ outperformed jewelry industry, remained resilient vs Vietnam's retail sales despite discretionary nature



Consumer team's top picks

Stocks	Comments
Resilient growth basket	
FRT	Leading pharmacy chain driving the growth of Vietnam's modern pharmacy segment; healthcare to be the new growth driver.
FPT	Vietnam's preeminent IT outsourcing company with sustainable cost advantages and strengthening technological capabilities.
Extended basket in favorable tariff scenarios	
MSN	Strong consumer ecosystem that focuses on consumers' daily essential needs.
MWG	Preeminent player in modern retail in Vietnam, which is undergoing rapid long-term growth of modern grocery sector.
PNJ	Leading fashion gold jewelry company riding on growing discretionary spending.

Consumer Sector: Key data




Code	Rating	Market cap, USD mn	State O'ship	Foreign limit	Foreign avail, USD mn	ADTV 30D, USD mn	Share price, VND ps	Target price, VND ps	Target price, updated	Upside	Div. yield	12M TSR
SAB	BUY	2,324	36.0%	100%	954	3.7	47,500	67,000	06/03/2025	41.1%	7.4%	48.4%
VHC	BUY	497	0.0%	100%	399	4.3	58,000	81,700	17/02/2025	40.9%	3.4%	44.3%
MSN	BUY	4,115	0.0%	49%	972	27.7	74,600	101,200	21/05/2025	35.7%	0.0%	35.7%
FRT	BUY	981	0.0%	49%	154	5.8	151,000	193,800	26/05/2025	28.3%	0.0%	28.3%
CTR	O-PF	397	65.7%	49%	162	2.9	90,900	114,300	30/06/2025	25.7%	2.2%	27.9%
PNJ	BUY	1,102	0.0%	49%	0	3.0	85,500	105,900	29/05/2025	23.9%	2.3%	26.2%
VNM	BUY	4,792	36.0%	100%	2,440	16.4	60,100	70,300	24/04/2025	17.0%	6.7%	23.6%
VEA	M-PF	1,970	88.5%	49%	620	1.4	38,900	42,200	20/09/2024	8.5%	12.5%	20.9%
QNS	O-PF	687	0.0%	49%	59	0.4	49,000	53,400	30/08/2024	9.0%	8.2%	17.1%
FPT	BUY	6,876	5.8%	49%	270	36.0	105,800	120,600	27/05/2025	14.0%	1.9%	15.9%
MWG	BUY	3,909	0.0%	49%	16	26.4	69,300	78,300	30/05/2025	13.0%	1.4%	14.4%
DGW	M-PF	365	0.0%	49%	83	5.5	43,700	47,400	23/07/2025	8.5%	1.1%	9.6%

Consumer Sector: Summary valuations

Code	Share price, VND ps	EPS g 2024 %	EPS g 2025F %	EPS g 2026F %	P/E TTM x	P/E 2025F x	P/E 2026F x	EV/EBITDA 2025F x	ROE 2025F %	P/B LQ x	Net D/E LQ x
SAB	47,500	6%	9%	1%	15.2	13.1	13.0	7.0	20%	2.9	-1.0
VHC	58,000	57%	21%	36%	9.1	8.7	6.4	6.3	16%	1.4	-0.1
MSN¹	74,600	279%	69%	56%	38.8	39.8	25.5	8.2	9%	3.3	1.2
FRT	151,000	N.M.	134%	54%	47.7	35.2	22.8	19.7	26%	9.0	1.0
CTR	90,900	3%	9%	20%	18.4	23.6	19.6	9.4	29%	5.2	-0.3
PNJ	85,500	4%	-6%	15%	14.6	15.7	13.7	11.6	17%	2.4	0.1
VNM	60,100	8%	0%	5%	16.4	15.0	14.3	9.0	26%	4.0	-0.4
VEA	38,900	2%	11%	9%	6.9	7.4	6.8	4.7	28%	1.8	-0.6
QNS	49,000	-4%	0%	1%	7.4	7.1	7.0	5.2	22%	1.5	-0.5
FPT	105,800	21%	15%	22%	20.8	21.6	17.7	12.2	28%	5.4	-0.3
MWG	69,300	2,120%	47%	30%	21.0	18.5	14.2	12.6	18%	3.5	-0.3
DGW	43,700	16%	20%	32%	19.7	17.9	13.5	15.2	17%	3.1	0.5

Top Picks

FRT – Healthcare as new growth engine

Rating*	BUY		2024	2025F	2026F	2027F		
Share Price (June 5)	VND168,000	Revenue (VND bn)	40,104	49,781	59,249	68,288	YTD	
Target Price (TP)*	VND242,300	%YoY	25.9%	24.1%	19.0%	15.3%	1Y	
		NPAT-MI (VND bn)	318	733	1,132	1,629	3Y ann.	
		% YoY	N.M.	130.8%	54.4%	44.0%		
Upside to TP	+44.2%	EPS	N.M.	133.5%	54.3%	44.1%		
Dividend Yield	0.0%	GPM	18.9%	19.4%	19.9%	20.4%		
TSR	+44.2%	EBITDA margin	2.2%	3.0%	3.5%	4.0%		
		OPM	1.7%	2.6%	3.3%	4.0%		
Industry	Retailing	NPM	0.8%	1.5%	1.9%	2.4%		
Market Cap	USD878mn	FCF/Sales	2.3%	1.9%	2.6%	3.2%		
Foreign Room	USD143mn	EV/EBITDA	30.8x	18.5x	13.4x	10.3x		
ADTV30D	USD2.9mn	P/E	73.3x	31.4x	20.3x	14.1x		
State Ownership	0%	ROE	18.1%	25.6%	23.0%	24.2%		
Outstanding Shares	136 mn	ROIC	5.2%	8.8%	10.7%	12.5%		
Fully Diluted Shares	136 mn	* TP and rating last updated May 26, 2025						

Company Overview

Established in 2012, FPT Retail owns (1) the largest pharmacy chain Long Chau and (2) the second-largest ICT retailing chain, FPT Shop, in Vietnam.

FRT owns (1) Vietnam's largest pharmacy chain, Long Chau (LC), and (2) Vietnam's second-largest ICT retail chain, FPT Shop.

Long Chau has broadened its healthcare reach by launching a vaccination services business. LC's competitive advantages to capture growth in this market include an extensive store network and healthcare partnerships, strong brand reputation, and thorough customer insights. LC has expanded its vaccination centers from 10 at YE 2023 to 164 currently. In the next five years, we project its vaccination business to deliver a 2024-29F sales CAGR of 61%, contributing to LC's sales CAGR of 21%. We forecast that this business will help improve LC's overall OPM to 6.7% in YE 2029F, from 2.7% in 2024.

We expect LC's 2024-29F sales CAGR to be 21% and reach USD2.5bn in 2029, with a corresponding **NPAT-MI CAGR of 50%** to USD136mn in 2029.

We estimate FPT Shop's 2024-29F sales CAGR at 5% due to (1) a gradual ICT consumption recovery starting in 2024, and (2) Vietnam's rising digital adoption as a result of the country's growing middle-income class.

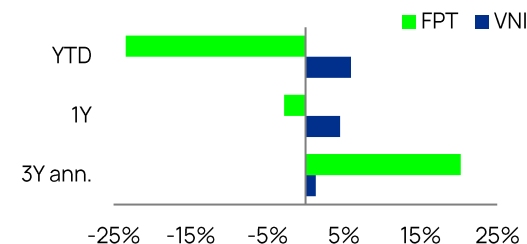
We expect LC to contribute major earnings due to (1) its extensive expansion and (2) a modest recovery in ICT margins over the next five years. We project LC to contribute ~90% to our NPAT-MI forecast for FRT in 2029F.

Potential upside/downside risks: Stronger/weaker-than-expected store rollouts and profitability for LC; stronger/weaker-than-expected recovery in ICT profitability.

FPT - Vietnam's IT service powerhouse

Rating*	BUY		2024	2025F	2026F	2027F	
Share Price (June 5)	VND116,800	Revenue (VND bn)	62,849	71,113	84,575	101,363	
Target Price (TP)*	VND138,700	%YoY	19%	13%	19%	20%	
		NPAT-MI (VND bn)	7,857	9,074	11,119	13,580	
		% YoY	22%	16%	23%	22%	
Upside to TP	+18.8%	EPS % YoY	21%	15%	22%	21%	
Dividend Yield	2.0%	GPM	37.7%	36.7%	37.0%	37.2%	
TSR	+20.7%	EBITDA margin	20.8%	20.0%	20.8%	20.8%	
		PBT margin	17.6%	18.1%	18.3%	18.6%	
Industry	Technology	NPM	12.5%	12.8%	13.1%	13.4%	
Market Cap	USD6.6bn	P/OCF	14.8x	20.3x	12.1x	10.1x	
Foreign Room	USD529mn	EV/EBITDA	12.4x	11.4x	9.2x	7.7x	
ADTV30D	USD34.4mn	P/E	23.9x	20.7x	17.0x	13.8x	
State Ownership	5.8%	P/B	6.3x	5.3x	4.4x	3.6x	
Outstanding Shares	1,481 mn	ROE	28.7%	27.8%	28.2%	28.0%	
Fully Diluted Shares	1,481 mn						

* TP and rating last updated May 27, 2025



Company Overview

FPT is a Vietnam's leading tech conglomerate, with a diversified presence across three main pillars: technology (global IT & domestic IT), telecom, and education. FPT has achieved a global IT revenue CAGR of 29% over the last three years.

We are optimistic on FPT's long-term outlook, led by its global IT business and complemented by its stable telecom and education segments.

We project global IT 2024-27F PBT CAGR of 26% driven by accelerated digital transformation (DX) adoption, especially AI. This leverages Vietnam's competitive labor costs and improving technological capabilities, while moving up the value chain to provide higher-margin services. We believe Japan will remain the key market with its revenue CAGR of 27% fueled by strong DX adoption and FPT's strong footprint, while we expect the remaining markets to recover from 2026F, supported by an IT spending recovery as well as FPT's competitive advantages and market expansion initiatives.

Domestic IT is set to post a 30% PBT CAGR in 2024-27F due to domestic DX adoption and the high-margin GPUaaS business.

We expect telecom services' PBT CAGR to grow 12% in 2024-27F. We expect stable broadband revenue, in addition to rising data center revenue supported by rising demand for cloud computing and data localization.

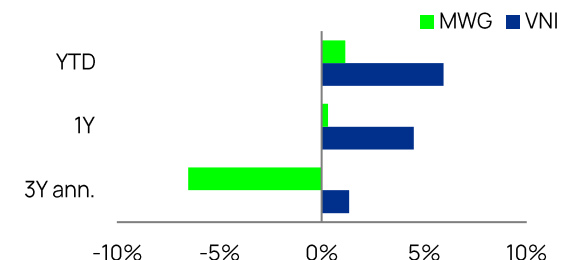
Education PBT to deliver 11% CAGR in 2024-27F, fueled by recovery in new enrollments and K-12 expansion. In our view, the education segment plays a vital role in providing an IT engineering talent pipeline for the global IT business, apart from its steady revenue growth and lucrative profitability.

Valuations: We believe FPT's 2025F/26F P/Es of 20.7x/17.0x (vs its 3Y avg. TTMP/E of 20.5x) is compelling vs its bright long-term prospects.

Potential upside/downside risks: Stronger/weaker global IT spending, DX adoption; faster/slower progress of FPT Fornix HCMC02 data center; faster/slower AI Factory utilization acceleration.

MWG – Prominent modern retailer with nationwide coverage

Rating*	BUY		2024	2025F	2026F	2027F		
Share Price (June 5)	VND61,700	Revenue (VND bn)	134,341	147,094	167,007	184,779		
Target Price (TP)*	VND78,300	%YoY	13.6%	9.5%	13.5%	10.6%	YTD	
		NPAT-MI (VND bn)	3,722	5,533	7,328	8,330		
		% YoY	2119.8%	48.7%	32.4%	13.7%	1Y	
Upside to TP	26.9%	EPS % YoY	2119.8%	47.3%	30.1%	11.0%		
Dividend Yield	1.6%	GPM	20.5%	20.1%	20.4%	20.9%	3Y ann.	
TSR	+28.5%	EBITDA margin	4.7%	5.1%	5.7%	6.0%		
		OPM	3.0%	3.7%	4.4%	4.6%		
Industry	Retailing	NPM	2.8%	3.8%	4.4%	4.5%		
Market Cap	USD3.5bn	FCF/Sales	9.6%	3.8%	4.4%	4.7%		
Foreign Room	USD40mn	EV/EBITDA	13.0x	11.1x	8.7x	7.5x		
ADTV30D	USD22.8mn	P/E	24.3x	16.5x	12.7x	11.4x		
State Ownership	0%	ROE	14.6%	18.3%	20.5%	19.6%		
Outstanding Shares	1.48 bn	ROIC	6.1%	7.5%	9.2%	9.6%		
Fully Diluted Shares	1.48 bn	* TP and rating last updated May 30, 2025						



Company Overview

MWG owns the leading mobile phone and consumer electronics chains in Vietnam with 2022 market shares of 60% and 50%, respectively. To sustain strong long-term growth, MWG is rolling out the Bach Hoa Xanh minimart chain.

We believe MWG remains well-positioned to seize growing demand for modern grocery retail from increasingly discerning consumers.

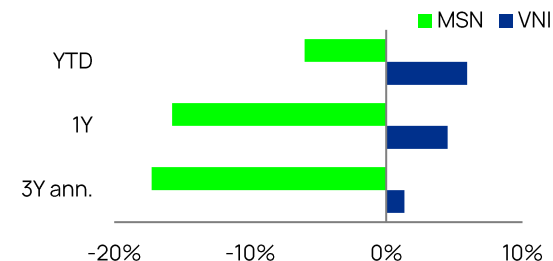
Maintaining its position as Vietnam's leading minimart, BHX is well-positioned for regional nationwide expansion and strong earnings growth. With a competitive advantage in fresh food, we believe BHX is at the forefront of capturing the rising demand for convenience-driven grocery retailing in Vietnam. After turning profitable in 2024, BHX has resumed store expansion, opening 72 new locations in 2024 and 359 stores in 4M 2025, primarily in southern and central Vietnam. Given the huge expansion opportunities for BHX across Vietnam, we project BHX to reach over 2,600/3,500 stores by YE 2026/YE 2029, respectively.

We expect resilient earnings recoveries for TGDD & DMX in 2024-29F. We expect its sales to grow at a 2024-29F CAGR of 5%. A full recovery of Vietnam's consumption should support GPM to improve by 30 bps per year in 2026-27, reaching 18.7% in 2027 and remaining stable in 2028-29. We anticipate ICT's EBIT to grow at a 2024-29F CAGR of 11%, with the 2029 EBIT margin approaching 6.1%.

Potential upside/downside risks: Stronger/weaker-than-expected ICT profitability; stronger/weaker-than-expected store expansion and operational efficiency at BHX.

MSN – Prime beneficiary of Vietnam’s consumption growth

Rating*	BUY		2024	2025F	2026F	2027F	
Share Price (June 5)	VND65,800	Revenue (VND bn)	83,178	81,417	90,401	99,123	YTD
Target Price (TP)*	VND101,200	%YoY	6.3%	-2.1%	11.0%	9.6%	
		EBIT % YoY	47.7%	17.1%	17.7%	18.8%	
		PBT % YoY	135.1%	11.2%	36.1%	28.9%	1Y
Upside to TP	+53.8%	NPAT-MI ¹ (VND bn)	1,681	2,852	4,475	6,399	3Y ann.
Dividend Yield	0.0%	EPS ¹ % YoY	278.7%	68.9%	56.2%	42.3%	
TSR	+53.8%	EBITDA margin ²	16.3%	18.8%	18.9%	19.4%	
		OPM	7.4%	8.9%	9.4%	10.2%	
Industry	Consumer	NPM ¹	2.0%	3.5%	4.9%	6.5%	
Market Cap	USD3.6bn	FCF/Sales	6.5%	-5.0%	2.3%	3.8%	
Foreign Room	USD885mn	EV/EBITDA ²	11.5x	10.2x	9.1x	8.1x	
ADTV30D	USD15.5mn	P/E ¹	58.2x	35.1x	22.5x	15.7x	
State Ownership	0.0%	P/B	3.1x	2.9x	2.5x	2.2x	
Outstanding Shares	1.44 bn	ROE ¹	5.9%	9.0%	12.6%	15.9%	
Fully Diluted Shares	1.51 bn						



Company Overview

Masan Group specializes in consumer businesses that span FMCG, the meat value chain and grocery retailing. Other businesses include metal-based materials and a significant holding in Techcombank.

* TP and rating last updated May 21, 2025

¹ Based on core earnings that exclude one-off financial income; ² Core EBITDA excludes profits from Techcombank (TCB).

We believe MSN is a proxy play on consumption growth in Vietnam, driven by rising incomes, urbanization, and ongoing modernization.

MSN’s subsidiary – MCH UpCOM has sustained its leading market shares in some of the largest FMCG categories such as convenience foods, seasonings, and energy drinks over the past five years. **MSN also has WCM** as the market leader in modern grocery retailing.

Over the past year, management has positioned MSN more clearly as a consumer-led company, with increasing ownership and investments in consumer-related business and divestment of the non-core business. MSR completed the sale of 100% of H.C. Starck to Mitsubishi Materials Corporation at YE 2024. Furthermore, MSN increased its stake in WCM to 85% (from 79% at YE 2024). As WCM has achieved positive NPAT since June 2024 with extensive growth headroom in Vietnam’s modern grocery retail, MSN can consolidate a larger portion of WCM’s earnings over the longer term.

We forecast an EBIT CAGR of 21% in 2024-29. We forecast MCH UpCOM to deliver a 12% EBIT CAGR in 2024-29. In addition, we expect WCM to contribute 14%/18% to MSN’s NPAT-MI in 2028/29, respectively.

Upside potential: Reduced exposure to MSR to reduce net debt; corporate action following the listing of MCH UpCOM on HOSE; MCH UpCOM’s stronger-than-expected earnings growth.

Key risks to our positive view: MSR’s weaker-than-expected profitability; WCM’s lower-than-expected like-for-like (LFL) sales growth and profitability improvements.

PNJ – Unquestioned leader in Vietnam’s fashion jewelry market

Rating*	BUY		2024	2025F	2026F	2027F	
Share Price (June 5)	VND77,900	Revenue (VND bn)	37,823	33,472	36,875	40,468	
Target Price (TP)*	VND105,900	%YoY	14%	-12%	10%	10%	
		NPAT-MI (VND bn)	2,113	2,000	2,324	2,812	
		% YoY	7%	-5%	16%	21%	
Upside to TP	+35.9%	EPS % YoY	4%	-6%	15%	20%	
Dividend Yield	2.6%	GPM	17.6%	21.2%	22.0%	22.9%	
TSR	+38.5%	EBITDA margin	7.3%	7.8%	8.3%	9.0%	
		OPM	7.1%	7.5%	8.0%	8.8%	
Industry	Jewelry	NPM	5.6%	6.0%	6.3%	6.9%	
Market Cap	USD1.0bn	FCF/Sales	-0.1%	3.3%	3.5%	4.5%	
Foreign Room	USD2mn	EV/EBITDA	10.2x	10.7x	9.2x	7.7x	
ADTV30D	USD4.8mn	P/E	13.7x	14.3x	12.4x	10.4x	
State Ownership	0%	P/B	2.3x	2.1x	1.9x	1.7x	
Outstanding Shares	337.9 mn	ROE	20.1%	16.9%	17.6%	18.8%	
Fully Diluted Shares	337.9 mn						

* TP and rating last updated May 29, 2025

Company Overview

PNJ is the leading jewelry producer and retailer in Vietnam with an extensive network of 429 stores as of YE2024.

PNJ, Vietnam's leading fashion jewelry player, is poised to capitalize on the long-term growth of the branded jewelry industry. We anticipate that rising incomes and an increasing share of discretionary spending will drive jewelry consumption in Vietnam, particularly for branded jewelry, which has seen its market share double from 16% in 2015 to 33% in 2022. Within this space, PNJ is the market leader with a diversified product range, exceptional in-house design and manufacturing capabilities, and a substantial lead in store count, whereas competitive threats remain limited.

Resilience and market outperformance during short-term headwinds to set stage for recovery from 2026F. According to the World Gold Council, Vietnam's jewelry market posted a modest 5% CAGR in Q1 2025 vs Q1 2021 amid soft consumer sentiment and difficulties in sourcing raw gold materials. In contrast, PNJ delivered a 14% CAGR over the same period, significantly outperforming the market. While other modern jewelry chains struggled to expand, PNJ has continuously scaled its store network, adding respective 23/36/29 stores in 2022/23/24. This further widens PNJ's lead in store count and enables it to grow its customer base. Additionally, potential revisions to Decree 24 on gold business, which is scheduled to be finalized by end-June 2025, could ease constraints on raw gold supply and support PNJ's retail business.

We forecast PNJ to deliver a retail revenue CAGR of 11% in 2024-29F, which corresponds to our forecast for an EPS CAGR of 14% for this period.

Valuations: Our projected 2025F/26F P/Es of 14.3x/12.4x are below 5Y average TTM P/E of 15.6x, which we believe undervalues the company's bright growth prospects.

Upside potential: Stronger demand; faster store expansion; contribution from lifestyle items.

Downside risks: Weaker demand; slower store expansion; less favorable/delayed revisions to Decree 24.

Disclaimer

Analyst Certification of Independence

We, **Ngan Ly, and Nam Hoang**, hereby certify that the views expressed in this report accurately reflect our personal views about the subject securities or issuers. We also certify that no part of our compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The equity research analysts responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues, which include revenues from, among other business units, Institutional Equities and Investment Banking.

Vietcap and its officers, directors and employees may have positions in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment). Vietcap may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment.

Copyright 2025 Vietcap Securities Company "Vietcap". All rights reserved. This report has been prepared on the basis of information believed to be reliable at the time of publication. Vietcap makes no representation or warranty regarding the completeness and accuracy of such information. Opinions, estimates and projection expressed in this report represent the current views of the author at the date of publication only. They do not necessarily reflect the opinions of Vietcap and are subject to change without notice. This report is provided, for information purposes only, to institutional investors and retail clients of Vietcap in Vietnam and overseas in accordance to relevant laws and regulations explicit to the country where this report is distributed, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction. Investors must make their investment decisions based upon independent advice subject to their particular financial situation and investment objectives. This report may not be copied, reproduced, published or redistributed by any person for any purpose without the written permission of an authorized representative of Vietcap. Please cite sources when quoting.

U.K. and European Economic Area (EEA): Unless specified to the contrary, issued and approved for distribution in the U.K. and the EEA by Vietcap issued by Vietcap has been prepared in accordance with Vietcap's policies for managing conflicts of interest arising as a result of publication and distribution of investment research. Many European regulators require a firm to establish, implement and maintain such a policy. This report has been issued in the U.K. only to persons of a kind described in Article 19 (5), 38, 47 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons being referred to as "relevant persons"). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is only available to relevant persons and will be engaged in only with relevant persons. In other EEA countries, the report has been issued to persons regarded as professional investors (or equivalent) in their home jurisdiction. **Australia:** This material is issued and distributed by Vietcap in Australia to "wholesale clients" only. Vietcap does not issue or distribute this material to "retail clients". The recipient of this material must not distribute it to any third party or outside Australia without the prior written consent of Vietcap. For the purposes of this paragraph the terms "wholesale client" and "retail client" have the meanings given to them in section 761G of the Corporations Act 2001. **Hong Kong:** The 1% ownership disclosure as of the previous month end satisfies the requirements under Paragraph 16.5(a) of the Hong Kong Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission. (For research published within the first ten days of the month, the disclosure may be based on the month end data from two months prior.) **Japan:** There is a risk that a loss may occur due to a change in the price of the shares in the case of share trading, and that a loss may occur due to the exchange rate in the case of foreign share trading. In the case of share trading, Vietcap will be receiving a brokerage fee and consumption tax (shouhizei) calculated by multiplying the executed price by the commission rate which was individually agreed between Vietcap and the customer in advance. **Korea:** This report may have been edited or contributed to from time to time by affiliates of Vietcap. **Singapore:** Vietcap and/or its affiliates may have a holding in any of the securities discussed in this report; for securities where the holding is 1% or greater, the specific holding is disclosed in the Important Disclosures section above. **India:** For private circulation only, not for sale. **Pakistan:** For private circulation only, not for sale. **New Zealand:** This material is issued and distributed by Vietcap in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money. Vietcap does not issue or distribute this material to members of "the public" as determined in accordance with section 3 of the Securities Act 1978. The recipient of this material must not distribute it to any third party or outside New Zealand without the prior written consent of Vietcap. **Canada:** The information contained herein is not, and under no circumstances is to be construed as, a prospectus, an advertisement, a public offering, an offer to sell securities described herein, or solicitation of an offer to buy securities described herein, in Canada or any province or territory thereof. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. The information contained herein is under no circumstances to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities must be conducted through a dealer registered in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed judgment upon these materials, the information contained herein or the merits of the securities described herein, and any representation to the contrary is an offence. **Dubai:** This report has been issued to persons regarded as professional clients as defined under the DFSA rules. **United States:** This research report prepared by Vietcap is distributed in the United States to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Decker&Co, LLC, a broker-dealer registered in the US (registered under Section 15 of Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Decker&Co, LLC in the US shall be borne by Decker&Co, LLC. All resulting transactions by a US person or entity should be effected through a registered broker-dealer in the US. This report is not directed at you if Vietcap Broker or Decker&Co, LLC is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Decker&Co, LLC and Vietcap is permitted to provide research material concerning investment to you under relevant legislation and regulations.

Contacts

Research

Nam Hoang, Head of Research

+84 28 3914 3588, ext 124

nam.hoang@vietcap.com.vn

Ngan Ly, Analyst

+84 28 3914 3588, ext. 532

ngan.ly@vietcap.com.vn

Investment Advisory Department, Institutional Sales & Trading and Bonds

Tuan Nhan

Managing Director

**Investment Advisory Department,
Institutional Sales & Trading and Bonds**

+84 28 3914 3588, ext 107

tuan.nhan@vietcap.com.vn

Quynh Chau

Managing Director

Investment Advisory Department

+84 28 3914 3588, ext 222

quynh.chau@vietcap.com.vn