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# Phu Nhuan Jewelry (PNJ)

## Guidance revised down sharply

### **Newly revised 2020E guidance looking for 30% YoY drop in earnings**

— Management revised down guidance in the proposal for the annual general shareholders' meeting to VND832 billion for earnings or down 30% YoY and now expects sales to slow to VND14,485 billion or down 15% YoY. Based on this new guidance, PNJ has completed 38% of its revenue goal and profit plan after four months. Previously, guidance announced on March 28 was initially expecting earnings to grow by 13% YoY to VND1,349 billion and revenue growth of 12% YoY to VND19,020 billion. The shareholders' meeting is scheduled for June 10.

### **Seeking 1.03% ESOP for 2019 performance and proposing up to 1.5% ESOP for 2020**

— PNJ will seek approval for an ESOP representing 1.03% of outstanding shares for members of the Executive Board and key management for 2019 performance. A date will be set to issue these shares once the ESOP is approved. Incentives for the Executive Board and key management for 2020E performance will include a proposal for a performance bonus of 1% of earnings and ESOP of 1% of outstanding shares if the profit goal is met and up to 1.5% of shares outstanding for the ESOP if exceeded.

### **10:1 bonus shares and cash dividend target of VND1,800 cash for 2020 performance**

— Management plans to announce 10:1 bonus shares from year-end 2019 retained earnings to boost charter capital after being approved by shareholders. PNJ will also propose paying a cash dividend of VND1,800 for 2020E earnings.

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## Investment ratings & definitions

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### Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Hold:	Sell:
+15% or more	+15% to -15%	-15% or more

### Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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