

REE – Fabulous Q2/2022 performance thanks to Energy Segment.

REE's 2Q2022 EAT reached 594 bil VND, **+55% YoY** (+212 bil VND) chiefly thanks to the Energy Segment because the new Thuong Kon Tum Hydro plant of VSH has been operated from the end of 2021, which increased the total capacity of VSH by almost three times.

The M&E segment's EAT reached 35 bil VND in 2Q2022, **+6% YoY**, and **+169% QoQ** (13 bil VND). This is quite a positive sign showing that M&E segment is returning more normalized operations post COVID-19. The M&E's 2Q2022 net profit margin is 5.6%, which is also better than 3.7% of 1Q2022.

The real estate EAT segment reached 284 bil VND, which is close to our forecast, completing 52% of ACBS's 2022F for REE's real estate segment.

In 1H2022 REE's power segment (806 bil VND) and water segment (161 bil VND) EAT results are quite in line to our forecast as well, which completed 45% and 48%, respectively to ACBS's 2022F.

| Unit: bil VND | 2Q2022 | 2Q2021 | YoY% | 1H2022 | 1H2021 | YoY% | ACBS 2022F | Completion ACBS forecast |
|---------------|--------|--------|-------|--------|--------|------|---------------|-----------------------------|
| Rev | 2,023 | 1,636 | +23.7 | 4,068 | 2819 | +44 | 9,769 | 42% |
| EAT | 594 | 383 | +55.1 | 1,299 | 815 | +59 | 2,300 | 56% |
| M&E | 35 | 33 | +6 | 48 | 68 | -29 | 215 | 22% |
| Real estate | 150 | 125 | +20 | 284 | 244 | +16 | 550 | 52% |
| Power | 329 | 157 | +110 | 806 | 372 | +117 | 1789 | 45% |
| Water | 80 | 69 | +16 | 161 | 131 | +23 | 332 | 48% |

Comments: In 1H2022, hydropower record an impressive result thanks to favorable conditions (La Nina was lasting longer than expected). We expect the power segment will continue to post good results in 2H2022, especially 3Q2022, as Vietnam is in the rainy season, which creates higher levels of precipitation which is beneficial to hydro power facilities. The 1H2022 M&E segment result is quite humble; however, the result of 2Q2022 has shown the positive signs of normalized operations post COVID 19. Full analysis and integration of our updated expectations for the company will be included in our upcoming company report.

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