



REE Flash Note - NEUTRAL

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Earnings Flash note

Recommendation

NEUTRAL

HOSE: REE

Conglomerate

Target price (VND) 71,300

Current price (VND) 67,300

Expected share price return 5.9%

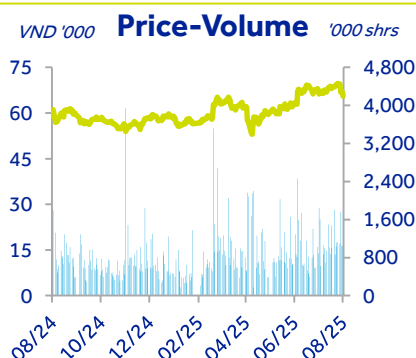
Expected dividend yield 1.5%

Expected total return 7.4%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	12.4	-1.9	12.1	11.9
Relative	-6.7	-11.2	-11.4	-10.4

Source: Bloomberg



Ownership

Platinum Victory PTE.Ltd	41.2%
Nguyen Thi Mai Thanh	12.8%
ETF DCVFMVN DIAMOND	5.6%
Nguyen Ngoc Hai	5.5%

Stock Statistics

01-Aug-25

Bloomberg code

REE

52-week range (VND) 49,652 - 71,200

Shares O/S (m) 542

Mkt cap (VND bn) 35,479

Mkt cap (USD bn) 1,417

Foreign room left (%) 0.0

Est. free float (%) 38.2

3m avg daily vol (shrs) 1,002,769

VND/USD 25,030

Index: VNIndex / HNX 1,495.2/264.9

REE Corporation (HOSE: REE)

REE released its Q2/2025 results, with VND2,513 bn in revenue, +15.2% yoy, VND853 bn in gross profit, +25.4% yoy, and VND623 bn in NPATMI, +75.5% yoy. Cumulative 6M2025, NPATMI reached VND1,235 bn, achieving 51% of its plan and 52% of ACBS's 2025 forecast. This positive performance was fueled by profit growth across all business segments, particularly in the energy sector due to favorable weather conditions for hydropower (which dominates REE's energy portfolio) and the real estate sector. We maintain a Neutral rating for REE, with a target price of VND71,300/share, implying an expected total return of 7.4%.

The +15.2% yoy in Q2/2025 revenue was primarily driven by +25.7% yoy in the energy segment revenue, reaching VND1,145 bn, and +34.2% yoy in the real estate segment revenue, at VND443 bn. The growth in the energy segment was a direct result of more favorable weather conditions as the ENSO cycle transitioned from an El Niño to a Neutral phase for the 2025 – 2026 period. The real estate segment's revenue growth was attributed to the transfer of a high-rise building land plot within the Bo Xuyen project, while office rental revenue remained stable. The real estate segment's NPATMI also saw a notable 40.9% yoy increase, reaching VND217 bn, thanks to the profit from the Bo Xuyen land plot transfer and a significant profit contribution from its associate company, SGR (Saigonres), which recorded an NPAT of VND49 bn in Q2/2025, a strong recovery from a VND10 bn loss in Q2/2024.

These two business segments, which typically have above-average gross margins in REE (over 65% for real estate and over 45% for energy), contributed to a 33.9% improvement in the gross margin, up from 31.2% yoy. This resulted in a gross profit of VND853 bn, +25.4% yoy. Additionally, other costs were effectively reduced, most notably a 21.3% yoy decrease in administrative expenses to VND137 bn. These factors collectively contributed to the 75.5% yoy growth in NPATMI, which reached VND623 bn, and an improved NPATMI's margin of 24.8%.

Cumulative 6M2025, revenue reached VND4,581 bn, +14.0% yoy. Gross profit was VND1,421 bn, +26.9% yoy, and NPATMI reached VND1,235 bn, +47.6% yoy, with the NPATMI's margin improving to 26.9%.

	2022	2023	2024	2025F	2026F
Net Sales (VNDbn)	9,372	8,570	8,384	10,105	11,145
Growth	61.3%	-8.6%	-2.2%	20.5%	10.3%
EBITDA (VNDbn)	4,888	4,218	3,726	4,201	4,576
Growth	77.9%	-13.7%	-11.7%	12.7%	8.9%
NPAT (VNDbn)	2,692	2,188	1,993	2,394	2,606
Growth	45.0%	-18.7%	-8.9%	20.1%	8.9%
EPS (bonus-adjusted, VND)	4,949	4,024	3,666	4,396	4,784
Growth	45.0%	-18.7%	-8.9%	19.9%	8.8%
ROE	14.0%	10.5%	8.9%	9.8%	9.7%
ROA	7.9%	6.3%	5.5%	6.2%	6.4%
Net debt/EBITDA (x)	1.7	1.6	1.0	0.0	(1.2)
EV/EBITDA (x)	9.2	10.2	10.8	8.7	6.8
P/E (x)	8.1	16.7	18.3	15.2	14.0
P/B (x)	1.5	1.8	1.6	1.5	1.4
Dividend (VND)	1,000	1,000	1,000	1,000	1,000
Dividend yield	1.5%	1.5%	1.5%	1.5%	1.5%

REE: Q2/2025 & 6M2025 Performance

Unit: bn VND	Q2/2024	Q2/2025	yoy	6M2024	6M2025	yoy
Revenue	2,181	2,513	15.2%	4,018	4,581	14.0%
<i>M&E</i>	<i>933</i>	<i>865</i>	<i>-7.3%</i>	<i>1,481</i>	<i>1,314</i>	<i>-11.3%</i>
<i>Real Estate</i>	<i>330</i>	<i>443</i>	<i>34.2%</i>	<i>593</i>	<i>729</i>	<i>22.9%</i>
<i>Energy</i>	<i>911</i>	<i>1,145</i>	<i>25.7%</i>	<i>1,933</i>	<i>2,433</i>	<i>25.9%</i>
<i>Water</i>	<i>7</i>	<i>60</i>	<i>757%</i>	<i>11</i>	<i>105</i>	<i>855%</i>
Gross profit	680	853	25.4%	1,421	1,803	26.9%
<i>Gross margin</i>	<i>31.2%</i>	<i>33.9%</i>		<i>35.4%</i>	<i>39.4%</i>	
<i>Financial expenses</i>	<i>203</i>	<i>201</i>	<i>-1.0%</i>	<i>426</i>	<i>392</i>	<i>-8.0%</i>
<i>Interest expenses</i>	<i>184</i>	<i>172</i>	<i>-6.5%</i>	<i>376</i>	<i>339</i>	<i>-9.8%</i>
<i>Selling expenses</i>	<i>34</i>	<i>31</i>	<i>-8.8%</i>	<i>53</i>	<i>51</i>	<i>-3.8%</i>
<i>Administrative expenses</i>	<i>174</i>	<i>137</i>	<i>-21.3%</i>	<i>270</i>	<i>230</i>	<i>-14.8%</i>
NPATMI	355	623	75.5%	836	1,235	47.6%
<i>NPATMI's margin</i>	<i>16.3%</i>	<i>24.8%</i>		<i>20.8%</i>	<i>26.9%</i>	
<i>M&E</i>	<i>11</i>	<i>24</i>	<i>118.2%</i>	<i>35</i>	<i>43</i>	<i>22.9%</i>
<i>Real Estate</i>	<i>154</i>	<i>217</i>	<i>40.9%</i>	<i>286</i>	<i>320</i>	<i>11.9%</i>
<i>Energy</i>	<i>106</i>	<i>239</i>	<i>125.5%</i>	<i>344</i>	<i>652</i>	<i>89.5%</i>
<i>Water</i>	<i>59</i>	<i>95</i>	<i>61.0%</i>	<i>125</i>	<i>161</i>	<i>28.8%</i>

Sources: REE, ACBS

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Our Recommendation System

BUY: prospective 12 month VND total return (including dividends) will be more than 20%.

OUTPERFORM: prospective 12 month VND total return (including dividends) will be 10% to 20%.

NEUTRAL: prospective 12 month VND total return (including dividends) will be -10% to 10%.

UNDERPERFORM: prospective 12 month VND total return (including dividends) will be will be -20% to -10%.

SELL: prospective 12 month VND total return (including dividends) will be lower than -20%.

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