



REE Update - OUTPERFORM

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Update

Recommendation **OUTPERFORM**

HoSE: REE

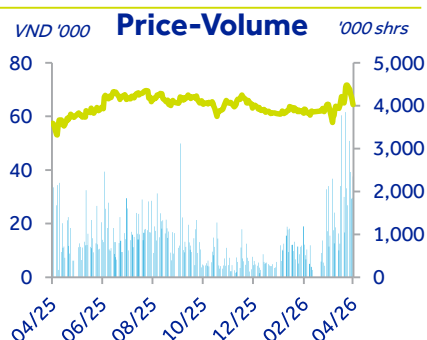
Conglomerate

Target price (VND)	78,300
Current price (VND)	66,700
Expected share price return	18.1%
Expected dividend yield	1.5%
Expected total return	16.6%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	7.3	3.1	10.4	9.1
Relative	12.8	11.3	15.3	-21.7

Source: Bloomberg



Ownership

Platinum Victory PTE.Ltd	42%
N.T.M. Thanh (Chairman)	13%
ETF DCFMVN Diamond	6%

Stock Statistics 08-Apr-2026

Bloomberg code	REE
52-week range (VND)	49,652 – 74,200
Shares O/S (m)	542
Mkt cap (VND bn)	35,915
Mkt cap (USD m)	1,394
Foreign room left (%)	0.0
Est. free float (m)	38.2
3m avg daily vol (shrs)	1,086,003
VND/USD	25,030
Index: VNIIndex / HNX	1,757/253

REE Corporation (HoSE: REE)

In 2025, REE reported VND2,528 bn in NPATMI, +27% YoY. This result achieved 104% of the company's plan and 105% of ACBS's forecast. The strong performance in 2025 was driven by growth across all business segments, particularly in energy segment (supported by La Niña weather conditions and increased rainfall during 2025) and the water segment (which recognized additional revenue from expanded capacity), with respective growth rates of 40% and 30% YoY. For 2026, we forecast revenue +14% YoY and NPATMI +8% YoY, supported by expansion across most of the company's business segments. We give a target price for REE at VND78,300/share, implying a total expected return of 19.6%, rating **OUTPERFORM**.

REE targets revenue +22% YoY to VND12,230 bn and NPATMI +11% YoY to VND2,815 bn. The company plans to focus on strong expansion in the M&E and real estate segments.

M&E: Amid a push for public infrastructure investment, particularly in the power sector, REE expects the M&E segment to achieve a CAGR of 30% in 2026 – 2030 period. For 2026, REE targets M&E's revenue to VND4,672 bn +33% YoY, with new backlogs to VND6,000 bn, +58% YoY, and NPAT to VND227 bn, +38% YoY.

Real Estate: REE aims to fully divest the remaining inventory of the Bo Xuyen Thai Binh project and improve occupancy rates across its office portfolio, particularly E.Town 6. Accordingly, the company targets real estate's revenue to VND1,861 bn, +39% YoY, and NPAT to VND693 bn, +35% YoY.

Dividend Policy: REE approved a 2025 dividend plan consisting of 10% cash and 15% stock dividends. For 2026, the company plans to maintain a minimum cash dividend payout ratio of 10%.

Forecast Revisions: Following the 2026 AGM, we revised our forecasts upward, increasing revenue by 3% and NPATMI by 5% compared to our previous estimates.

	2023	2024	2025	2026F	2027F
Net Sales (VNDbn)	8,570	8,384	10,012	11,448	13,354
Growth	-8.6%	-2.2%	19.4%	14.3%	16.7%
EBITDA (VNDbn)	4,218	3,726	4,395	4,848	3,475
EBITDA margin	-13.7%	-11.7%	18.0%	10.3%	-28.3%
NPAT (VNDbn)	2,188	1,993	2,529	2,739	3,062
Growth	-18.7%	-8.9%	26.9%	8.3%	11.8%
EPS (bonus-adjusted, VND)	4,024	3,666	4,646	5,030	5,626
Growth	-18.7%	-8.9%	26.7%	8.3%	11.9%
ROE	10.5%	8.9%	10.2%	10.0%	10.0%
ROA	6.3%	5.5%	6.3%	6.5%	6.8%
Net debt/EBITDA (x)	1.6	1.0	0.7	(0.2)	(1.7)
EV/EBITDA (x)	10.1	10.6	8.9	7.3	8.6
P/E (x)	16.4	18.0	14.2	13.1	11.7
P/B (x)	1.7	1.6	1.4	1.3	1.2
Dividend (VND)	1,000	1,000	1,000	1,000	1,000
Dividend yield	1.5%	1.5%	1.5%	1.5%	1.5%

LOOKING BACK 2025's PERFORMANCE

REE exceeded its plan and ACBS forecasts in 2025, achieving 104% and 105%, respectively. Growth was broad-based across segments, with the M&E and energy segments contributing most significantly to revenue expansion, benefiting from accelerated public investment and favorable La Niña conditions. Meanwhile, NPATMI growth was primarily driven by contributions from the energy and water segments, supported by newly negotiated water tariffs for expanded capacity.

Unit: bn VND	Q4/2024	Q4/2025	YoY	2024	2025	YoY
Revenue	2.333	2.878	23%	8.380	10.011	20%
<i>M&E</i>	694	1.237	78%	2.880	3.521	22%
<i>Real Estate</i>	275	310	13%	1.150	1.337	16%
<i>Energy</i>	1.299	1.282	-1%	4.240	4.979	17%
<i>Water</i>	70	49	-30%	114	174	53%
Gross profit	1.015	1.040	3%	3.123	3.775	21%
<i>Gross margin</i>	44%	36%		37%	38%	
Financial expenses	190	167	-12%	801	743	-7%
<i>Interest expenses</i>	181	166	-8%	738	684	-7%
Administrative expenses	197	292	48%	577	647	12%
NPATMI	678	619	-9%	1.994	2.528	27%
<i>M&E</i>	77	53	-31%	149	164	10%
<i>Real Estate</i>	112	47	-58%	509	513	1%
<i>Energy</i>	405	398	-2%	1.007	1.411	40%
<i>Water</i>	70	103	47%	267	355	33%
NPATMI's margin	29%	22%		24%	25%	

Sources: REE, ACBS

2026 PLAN: SUSTAINABLE GROWTH

REE plans to prioritize growth in M&E, benefiting from increased government investment in infrastructure. Real estate, with a focus on fully selling the Bo Xuyen Thai Binh project and divesting real estate investments via associates such as SGR. In energy segment, REE expects to commission a 48 MW Duyen Hai wind power project. However, the gradual transition from La Niña to El Niño conditions toward the end of 2026 is expected to negatively impact the company's hydropower-dominated portfolio. Accordingly, the company targets revenue growth of 10% and NPAT growth of 4%, reaching VND5,476 bn and VND1,465 bn, respectively.

Unit: bn VND	2025	YoY	2026P	YoY
Revenue	10,011	20%	12,230	22%
<i>M&E</i>	3,521	22%	4,672	33%
<i>Real Estate</i>	1,337	16%	1,861	39%
<i>Energy</i>	4,979	17%	5,476	10%
<i>Water</i>	174	53%	221	27%
NPATMI	2,528	27%	2,815	11%
<i>M&E</i>	164	10%	227	38%
<i>Real Estate</i>	513	1%	693	35%
<i>Energy</i>	1,411	40%	1,465	4%
<i>Water</i>	355	33%	346	-3%
NPATMI's margin	25%		24%	

Sources: REE, ACBS

2026 - 2027 FORECAST

For 2026, we forecast that REE will achieve total revenue of VND11,448 bn, +14% YoY, and NPATMI of VND2,739 bn, +8% YoY.

Growth in 2026 is expected to be supported across all major business segments. In particular, **the M&E segment** is projected to benefit from continued infrastructure development and the company's strategic expansion into new areas such as Renewable Energy (RE), including wind and solar power, as well as data centers. As a result, we expect REE to secure a larger backlog of projects. Accordingly, M&E revenue would reach VND4,721 bn, +34% YoY, while NPAT is projected at VND237 bn, +44% YoY. We also anticipate an improvement in NPAT's margin to approximately 5.5% – 6%, supported by a more favorable project mix.

In real estate segment, although Board of Management (BOM) set a target to fully dispose of the remaining inventory of the Bo Xuyen Thai Binh project, we adopt a more conservative stance given the current macroeconomic environment, characterized by rising interest rates and a cooling property market. We assume that approximately 30% of the project will be delivered in 2026, alongside a modest recovery in office leasing performance. Under these assumptions, revenue is projected at VND1,481 bn, +11% YoY, while NPAT is expected to reach VND549 bn, up 7% YoY.

For the energy segment, the outlook reflects a gradually weakening La Niña cycle transitioning toward El Niño conditions toward the end of the year. Meanwhile, the alpha ratio for hydropower dispatch to EVN is expected to remain stable at approximately 98%, supporting high utilization rates. We anticipate that hydropower output will be strongest in Q1/2026 and will gradually decline toward year-end. However, this downside is expected to be partially offset by contributions from the newly commissioned 48 MW Duyen Hai wind power project. As a result, total energy segment revenue is forecast to reach VND5,065 bn, +2% YoY, while NPAT is projected at VND1,475 bn, +5% YoY.

The water segment is expected to maintain stable growth, supported by its quasi-monopolistic nature and remaining capacity headroom across existing plants. We project revenue of VND181 bn, +4% YoY, and NPAT of VND364 bn, +3% YoY. Demand for water is expected to grow steadily at an annual rate of 3%–5%.

Looking ahead to 2027, we project consolidated revenue of VND13,354 bn, +17% YoY, and NPATMI of VND3,062 bn, +12% YoY. Slightly growth is expected to be broad-based across most business segments, with the exception of the energy segment, where performance will be influenced more by new capacity additions.

The M&E segment is expected to continue benefiting from Vietnam's ongoing public investment cycle in infrastructure during the 2026 – 2030 period. We forecast revenue of VND5,751 bn, +22% YoY, and NPAT of VND288 bn, +22% YoY, driven by continued growth in new contract signings and project execution.

In real estate segment, revenue is projected to reach VND1,481 bn, +3% YoY, while NPAT is expected to rise to VND598 bn, +9% YoY. This outlook is supported by continued sales progress of the Bo Xuyen Thai Binh project and gradual improvements in occupancy rates across the company's office portfolio.

For energy segment, we expect El Niño conditions to reach their peak, which may exert pressure on hydropower output. However, this impact is expected to be partially

mitigated by the commissioning of new wind power projects, including V1-3 Phase 2 and V1-5 and V1-6 Phase 2, with total capacity of 128 MW. Hence, revenue is forecast at VND5,885 bn, +16% YoY, while NPAT is projected at VND1,545 bn, +5% YoY.

Finally, **the water segment** is expected to continue delivering steady and modest growth, supported by increasing demand and remaining capacity expansion potential. We project revenue of VND188 bn, +4% YoY, and NPAT of VND388 bn, +7% YoY.

Unit: bn VND	2025	YoY	2026F	YoY	2027F	YoY
Revenue	10,011	20%	11,448	14%	13,354	17%
<i>M&E</i>	<i>3,521</i>	<i>22%</i>	<i>4,721</i>	<i>34%</i>	<i>5,751</i>	<i>22%</i>
<i>Real Estate</i>	<i>1,337</i>	<i>16%</i>	<i>1,481</i>	<i>11%</i>	<i>1,530</i>	<i>3%</i>
<i>Energy</i>	<i>4,979</i>	<i>17%</i>	<i>5,065</i>	<i>2%</i>	<i>5,885</i>	<i>16%</i>
<i>Water</i>	<i>174</i>	<i>53%</i>	<i>181</i>	<i>4%</i>	<i>188</i>	<i>4%</i>
NPATMI	2,528	27%	2,739	8%	3,062	12%
<i>M&E</i>	<i>164</i>	<i>10%</i>	<i>237</i>	<i>44%</i>	<i>288</i>	<i>22%</i>
<i>Real Estate</i>	<i>513</i>	<i>1%</i>	<i>549</i>	<i>7%</i>	<i>598</i>	<i>9%</i>
<i>Energy</i>	<i>1,411</i>	<i>40%</i>	<i>1,475</i>	<i>5%</i>	<i>1,545</i>	<i>5%</i>
<i>Water</i>	<i>355</i>	<i>33%</i>	<i>364</i>	<i>3%</i>	<i>388</i>	<i>7%</i>
<i>NPATMI's margin</i>	<i>25%</i>				<i>23%</i>	

Sources: REE, ACBS

VALUATION

Based on FCFF method, we give a target price for REE at VND78,300/share, implying a total expected return of 19.6%, rating OUTPERFORM.

FINANCIALS MODEL	Price: VND	66.300	Target: VND	78.300	Mkt cap VND bn	35.915
(VND bn except where stated)	2023	2024	2025	2026F	2027F	
Total Net Sales	8,570	8,384	10,012	11,448	13,354	
<i>Growth</i>	-8.6%	-2.2%	19.4%	14.3%	16.7%	
CoGS	4,860	5,260	6,236	7,285	8,851	
EBITDA	4,218	3,726	4,395	4,848	3,475	
<i>EBITDA margin</i>	-13.7%	-11.7%	18.0%	10.3%	-28.3%	
Depreciation	1,264	1,298	1,385	1,567	1,842	
Operating profit	3,042	2,672	3,558	3,706	4,092	
<i>Operating profit margin</i>	35.5%	31.9%	35.5%	32.4%	30.6%	
Net interest expense	819	583	411	433	245	
<i>as % of avg net debt</i>	12.4%	15.8%	13.1%	-59.4%	-4.1%	
Interest cover (x)	3.6	4.2	7.3	7.6	6.7	
Tax	292	297	419	446	492	
<i>Tax rate</i>	9.6%	11.1%	11.9%	12.0%	12.0%	
NPATMI	2,188	1,993	2,529	2,739	3,062	
<i>NPATMI's margin</i>	25.5%	23.8%	25.3%	23.9%	22.9%	
Cash earning	3,452	3,291	3,914	4,305	4,904	
Number of share: mil	410	471	542	542	542	
EPS: VND	5,321	4,217	4,646	5,030	5,626	
<i>Bonus factor (x)</i>	0.8	0.9	1.0	1.0	1.0	
Adjusted EPS: VND	4,024	3,666	4,646	5,030	5,626	
<i>EPS growth</i>	-18.7%	-8.9%	26.7%	8.3%	11.9%	

KEY CASHFLOW AND BS ITEMS	2023	2024	2025	2026F	2027F
Increase in working capital	1,663	35	1,766	(998)	1,349
Capex	858	1,030	1,886	-	-
Change in investment in affiliates	247	130	322	(200)	(200)
Other cashflow items	1,762	1,385	522	(1,626)	1,533
Free cash flow	2,446	3,481	462	3,878	5,288
Share issues	-	28	86	-	-
Dividends paid	534	619	-	-	-
Increase in net debt	(1,912)	(2,890)	(548)	(3,878)	(5,288)
Net debt, end of year	6,588	3,698	3,150	(728)	(6,017)
Shareholders' equity	20,769	22,455	24,797	27,488	30,521
BVPS (VND)	50,693	47,675	45,772	50,739	56,338
<i>Net debt / equity (%)</i>	<i>32%</i>	<i>16%</i>	<i>13%</i>	<i>-3%</i>	<i>-20%</i>
<i>Net debt / EBITDA (x)</i>	<i>1.6</i>	<i>1.0</i>	<i>0.7</i>	<i>(0.2)</i>	<i>(1.7)</i>
Total assets	34,911	36,362	40,076	42,013	45,020

KEY RETURN AND VALUATION RATIOS	2023	2024	2025	2026F	2027F
ROE	10.5%	8.9%	10.2%	10.0%	10.0%
ROA	6.3%	5.5%	6.3%	6.5%	6.8%
ROIC	9.4%	7.4%	8.4%	8.7%	4.1%
WACC	11.7%	11.7%	11.7%	11.7%	11.7%
EVA	-2.3%	-4.3%	-3.3%	-3.0%	-7.6%
PER (x)	16.4	18.0	14.2	13.1	11.7
EV/EBITDA (x)	10.1	10.6	8.9	7.3	8.6
EV/FCF (x)	17.4	11.4	84.6	9.1	5.7
PBR (x)	1.7	1.6	1.4	1.3	1.2
PSR (x)	4.2	4.3	3.6	3.1	2.7
EV/sales (x)	5.0	4.7	3.9	3.1	2.2
Dividend yield	1.5%	1.5%	1.5%	1.5%	1.5%

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DISCLAIMER

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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