

13 May 2026

REE CORPORATION. (REE)

M&E boosted profit growth

Facts: 1Q26 – M&E remained the key growth driver

In 1Q26, REE recorded revenue of VND2,471bn (+19% yoy, figure 1), mainly driven by strong growth from the M&E segment.

Gross profit reached VND1,046bn (+10% yoy, figure 6), while gross margin declined to 42.3% (-3.7%p yoy). As a result, NPAT came in at VND939bn (+15% yoy, figure 7), mainly supported by (i) a 24% yoy increase in financial income to VND137bn and (ii) a 24% yoy rise in profit from associates and joint ventures, despite selling expenses increasing to VND30bn (+48% yoy). Segment performance is detailed as follows:

- **Power:** Revenue and NPAT reached VND1,393bn (+9% yoy, figure 3) and VND440bn (+6% yoy, figure 2), respectively.
 - **Hydropower:** Production reached 1,323mn kWh (+7% yoy, figure 4), supported by stable nationwide water inflows and improving selling prices as CAN prices recovered in 1Q26. As a result, revenue and NPAT increased to VND830bn (+12% yoy, figure 3) and VND263bn (+11% yoy, figure 5), respectively.
 - **Solar power:** Revenue reached VND71bn (+6% yoy, figure 3) as production increased to 77mn kWh (+3% yoy, figure 4), supported by an improved average selling price amid favorable FX movements. However, NPAT declined to VND23bn (-55% yoy, figure 5) due to a high base effect, as the company recorded a reversal of corporate income tax provisions related to tax incentives for solar power projects in the same period last year.
 - **Wind power:** Revenue rose to VND306bn (+3% yoy, figure 3), supported by higher selling prices as mentioned above, and production increased slightly to 137mn kWh (+2% yoy, figure 4) following the official COD of the Duyen Hai wind power project on March 16, 2026. As a result, NPAT reached VND129bn (+16% yoy, figure 5).
- **Water:** Revenue reached VND48bn (+7% yoy, figure 1), mainly driven by a 6% yoy increase in water production across REE's water plants, along with a significant rise in wholesale water prices (+53% yoy). Consequently, NPAT increased strongly to VND91bn (+17% yoy, figure 2).
- **M&E:** Revenue surged to VND716bn (+59% yoy, figure 1), mainly driven by strong performance from REE M&E (revenue: +75% yoy; NPAT: +131% yoy), as the value of newly signed contracts reached VND4,865bn in 1Q26 (+28% yoy). As a result, NPAT jumped to VND41bn (+119% yoy, figure 2), supported by the completion of several projects and the reversal of receivables provisions in this segment.

12M rating **NON-RATED**

12M TP

Up/Downside

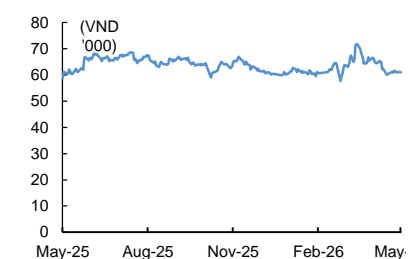
Stock data

VNIndex (13 May, pt)	1,898
Stock price (13 May, VND)	60,900
Market cap (USD mn)	1,262
Shares outstanding (mn)	542
52-Week high/low (VND)	71,700/57,700
6M avg. daily turnover (USD mn)	2.11
Free float / Foreign ownership (%)	35.0/49.0
Major shareholders (%)	
Platinum Victory PTE	41.7
Nguyen Thi Mai Thanh	12.83

Performance

	1M	6M	12M
Absolute (%)	(5.6)	(2.5)	3.6
Relative to VNIndex (%p)	(9.9)	(22.7)	(43.2)

Stock price



Source: Bloomberg

Research Dept

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- **Real estate:** Revenue and NPAT reached VND313bn (+9% yoy, figure 1) and VND128bn (+24% yoy, figure 2), respectively.
 - **Office leasing:** Revenue increased to VND313bn (+15% yoy), supported by higher rental rates and an improvement in average occupancy to 86% (+6%p yoy). However, pressure from higher depreciation expenses led NPAT to decline slightly to VND132bn (-4% yoy).
 - **Property development:** Revenue was recorded at VND0.1bn (-99% yoy) due to the absence of contributions from the Bo Xuyen – Thai Binh project, which had been recognized in the same period last year. Consequently, the segment recorded a net loss of VND4bn (-20% yoy).

Table 1. Quarterly earnings snapshot in 1Q26

(VND bn, %, %p)

	1Q25	2Q25	3Q25	4Q25	1Q26	QoQ	YoY
Sales	2,068	2,514	2,552	2,878	2,471	(14.1)	19.4
OP	897	828	937	897	1,047	16.7	16.7
OP margin (%)	43.4	33.0	36.7	31.2	42.4	11.2	(1.0)
EBT	898	829	927	864	1,054	22.2	17.4
NPAT	817	739	825	769	939	22.1	14.9

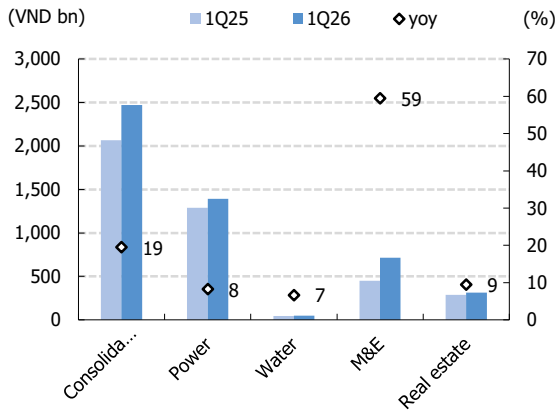
Source: FiinPro-X, Company data, KISVN

Pros & cons: 2Q26F – Power segment weighs on earnings

In 2Q26F, we forecast that REE could record less optimistic results due to negative impacts from the power segment, with production estimated to decline by approximately 4-6% during the quarter, despite strong growth momentum from the M&E segment.

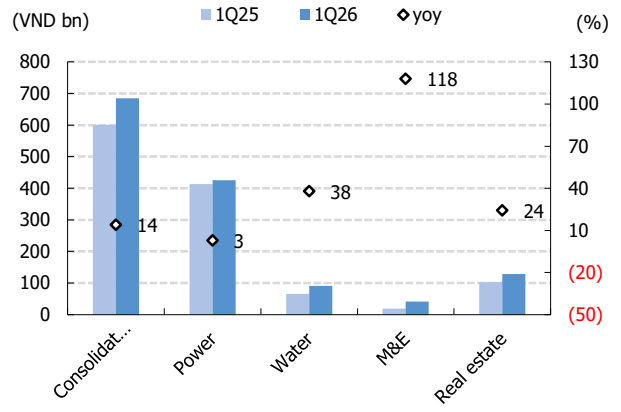
- **Power segment:** We estimate that REE's power segment may deliver weak performance in 2Q26F, mainly due to lower production as El Niño will strengthen and last until the end of 2026. Nevertheless, the segment could receive partial support from improving selling prices, driven by a 2.8x yoy increase in CAN prices in 2026.
- **Water segment:** The 2Q26F outlook is expected to remain stable, supported by sustained water consumption demand, as mentioned above.
- **M&E segment:** We believe the M&E segment could deliver positive performance thanks to expectations of newly signed contracts in 1Q26 reaching approximately VND1,056bn (+70% yoy).
- **Real estate segment:** We expect the segment's outlook to improve slightly in 2Q26F, supported by a higher occupancy rate in the office leasing segment (2Q25: 81%). However, the Light Square project is likely to remain weak during the quarter.

Figure 1. The M&E segments drove revenue growth at 59% yoy in 1Q26



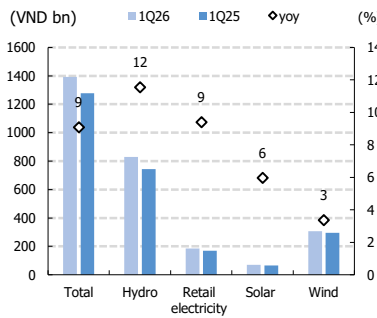
Source: Company data, FiinPro-X, KIS Research

Figure 2. NPAT increased strongly by 15% yoy in 1Q26



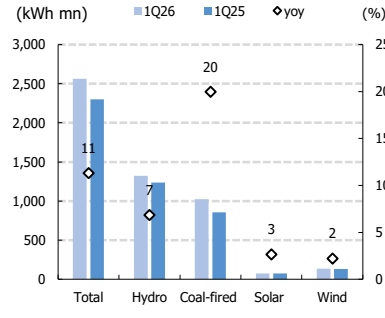
Source: Company data, FiinPro-X, KIS Research

Figure 3. Revenue from the power segment rose by 9% yoy



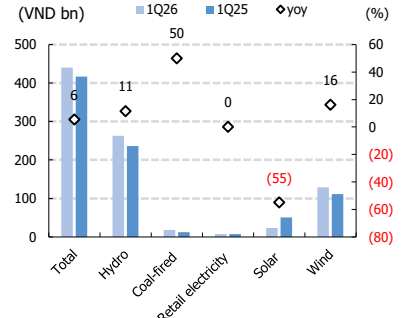
Source: EVN, KIS Research

Figure 4. Total production increased by 11% yoy



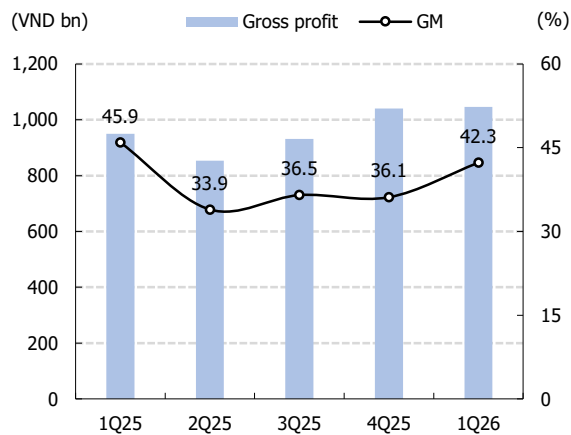
Source: EVN, KIS Research

Figure 5. ... profit surged by 6% yoy in 1Q26



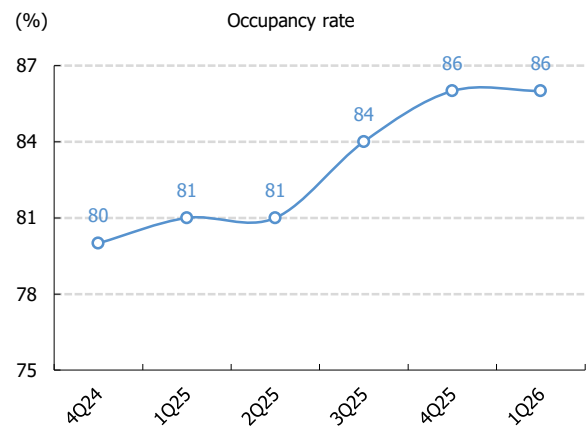
Source: EVN, KIS Research

Figure 6. ... gross profit recorded VND1,046bn, with gross margin to 42.3% (-3.6%p yoy)



Source: EVN, KIS Research

Figure 7. The office leasing occupancy rate is estimated to rise to 86% in 1Q26



Source: NOAA, KIS Research

■ Company overview

Refrigeration Electrical Engineering Corporation (REE) is a multi-sector business group established in 1977. After transitioning from a state-owned enterprise to a public company through equitization in 1993, REE became the first company to be listed on the Vietnamese stock exchange in 2000. Currently, REE operates in the fields of energy, water and environment, real estate, and M&E services

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