truefriend KIS Viet Nam Securities Corporation

Earnings Review

17 Nov 2026

REE CORPORATION. (REE)

M&E boosted profit growth

Facts: NPAT improvement driven by the M&E Segment

In 3Q26, revenue reached VND3,269bn (+28% yoy, equivalent to 118% of KIS's forecast, figure 1), mainly driven by growth in the M&E and office leasing segments.

GP reached VND1,088bn (+17% yoy, equivalent to ~121% of KIS's forecast, figure 6), bringing GM down by 3.2%p yoy to 33.3%. Segment performance was as follows:

- Power: Revenue and GP reached VND1,255bn (-1% yoy, figure 1) and VND632bn (+3% yoy), respectively, with growth mainly driven by renewable energy.
    - Hydropower: Revenue reached VND679bn (-16% yoy, figure 3), corresponding to production of 1,503mn kWh (-30% yoy, figure 4), as water inflows to reservoirs nationwide declined by 15% yoy. Nevertheless, NPAT remained stable at VND313bn (+1% yoy, figure 5), supported by an estimated 60% yoy increase in average FMP and gains from the divestment of REE's investment in Song Pha 2 (SP2).
    - Solar power: Revenue reached VND74bn (+3% yoy, figure 3), supported by an improvement in average selling prices amid persistently high exchange rates, alongside a slight increase in production to 71mn kWh (+3% yoy, figure 4). Accordingly, NPAT reached VND25bn (+19% yoy, figure 5).
    - Wind power: Revenue reached VND282bn (+53% yoy, figure 3), mainly driven by (i) improved electricity selling prices and (ii) higher production of 131mn kWh (+64% yoy, figure 4), supported by the COD of the 48MW Duyen Hai V1-4 project on 16 March 2026 and favorable wind conditions in Vinh Long. Consequently, 3Q26 NPAT reached VND73bn (+74% yoy, figure 6).
- M&E: Revenue and GP reached VND1,655bn (+71% yoy, figure 1) and VND393bn (+76% yoy), respectively. Growth was mainly driven by REE M&E (revenue: +80% yoy; NPAT: +62% yoy), supported by the acceptance and handover of several projects and stronger demand in the air-conditioning market compared with the same period last year. As a result, segment NPAT reached VND117bn (+72% yoy, figure 2).
- Real estate: Revenue and NPAT reached VND332bn (+11% yoy, figure 1) and VND155bn (+5% yoy, figure 2), respectively. Growth was mainly driven by the office leasing segment (revenue: +11% yoy; NPAT: +19% yoy), supported by improved rental rates and occupancy.

12M rating	**NON-RATED**
12M TP	
Up/Downside	

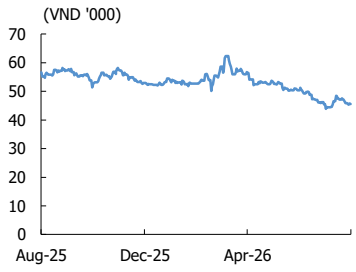
Stock data

VNIndex (17 Nov, pt)	1,727
Stock price (17 Nov, VND)	48,500
Market cap (USD mn)	1,174
Shares outstanding (mn)	623
52-Week high/low (VND)	62,348/43,850
6M avg. daily turnover (USD mn)	0.84
Free float / Foreign ownership (%)	38.0/49.0
Major shareholders (%)	
Platinum Victory PTE	41.67
Nguyen Thi Mai Thanh	12.86

Performance

	1M	6M	12M
Absolute (%)	7.9	(7.5)	(14.5)
Relative to VNIndex (%p)	6.6	1.4	(20.9)

Stock price



Source: Bloomberg

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NPAT reached VND925bn (+12% yoy, equivalent to ~111% of KIS's forecast, figure 2), mainly supported by (i) financial income of VND213bn (+109% yoy, up VND111bn), thanks to gains from the divestment of REE's investment in the SP2 associate. These factors partly offset (ii) higher selling expenses of VND49bn (+59% yoy, up VND18bn).

Table 1. Quarterly earnings snapshot in 3Q26

(VND bn, %, %p)

	3Q25	4Q25	1Q26	2Q26	3Q26	QoQ	YoY
Sales	2,552	2,878	2,471	2,426	3,270	34.8	28.1
OP	937	887	1,047	885	1,087	22.8	16.0
OP margin (%)	36.7	30.8	42.4	36.5	33.2	(3.3)	(3.5)
EBT	927	867	1,054	884	1,084	22.7	17.0
NPAT	825	770	939	781	926	18.5	12.3

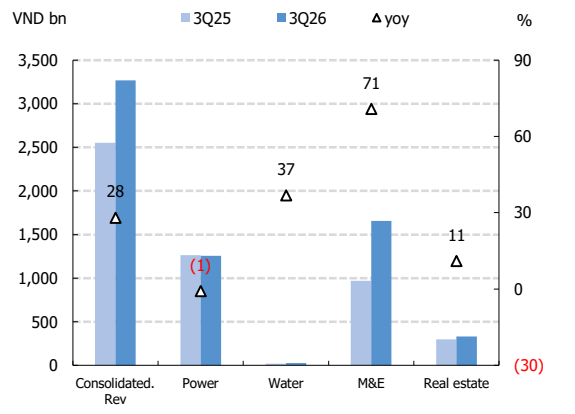
Source: FiinPro-X, Company data, KISVN

Pros & cons: 4Q26F – Earnings remain stable

In 4Q26F, we forecast REE's earnings to grow slightly, mainly driven by the M&E segment.

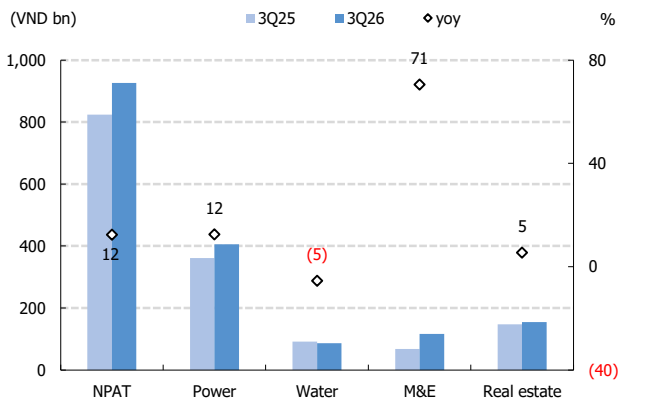
- **Power segment:** We expect REE's power segment to deliver modest growth in 4Q26F. Hydropower CF is projected to decline by 4%p due to strong El Niño conditions, which are expected to persist through 1H27. However, the impact could be partly offset by a 2.8x yoy increase in average FMP, which accounts for approximately 2% of revenue.
- **M&E segment:** We expect the M&E segment to deliver positive performance in 4Q26F, driven by contracts newly signed in 1H26, with a total value of approximately VND5,865bn, supporting revenue and earnings growth.
- **Real estate segment:** We expect the segment's performance to improve slightly in 4Q26F, supported by a higher occupancy rate in the office leasing segment (4Q25: 86%). However, the Light Square project is likely to continue delivering a weak performance during the quarter.

Figure 1. The Power segments drove revenue growth at 28% yoy in 3Q26



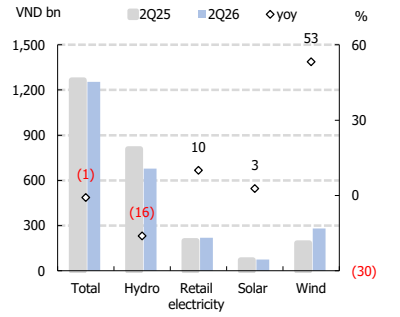
Source: Company data, FiinPro-X, KIS Research

Figure 2. NPAT increased strongly by 12% yoy in 3Q26



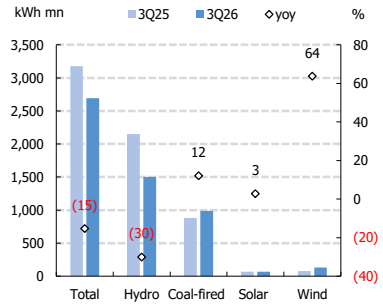
Source: Company data, FiinPro-X, KIS Research

Figure 3. Revenue from the power segment declined by 1% yoy



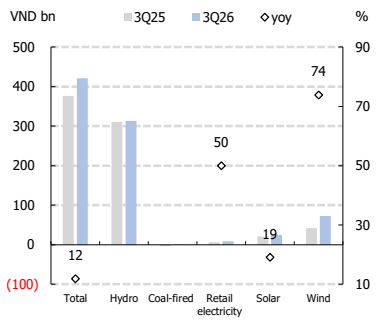
Source: EVN, KIS Research

Figure 4. Total production decreased by 15% yoy



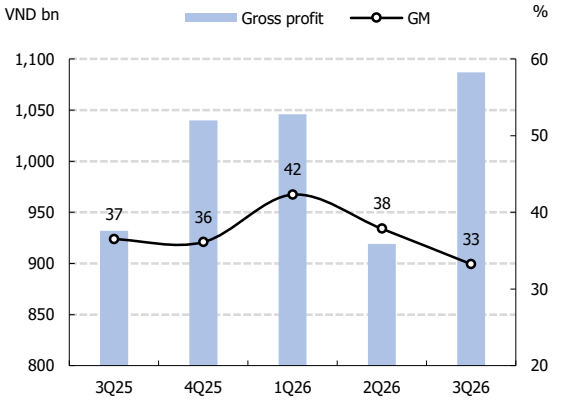
Source: EVN, KIS Research

Figure 5. … profit surged by 12% yoy in 3Q26



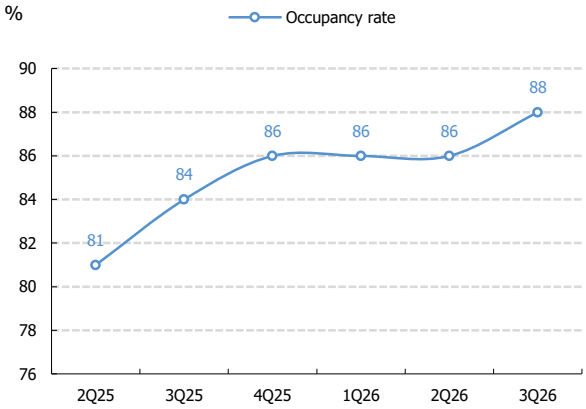
Source: EVN, KIS Research

Figure 6. … gross profit recorded VND1,088bn in 3Q26



Source: EVN, KIS Research

Figure 7. The office leasing occupancy rate is estimated to rise to 88% in 3Q26



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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