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# REE Corporation (REE)

## Earnings 2Q2020 down 14% YoY

### Earnings in 2Q was VND 374 billion, down 14% yoy

— REE's earnings in 2Q was VND 374 billion, down 14% yoy, sales was VND 1,290 billion, up 2.5% yoy. Accumulated 1H2020, REE's earnings and sales reached VND 630 billion and VND 2,470 billion, respectively - 20% and + 5.7%, met 39% and 41% of the guidance 2020. Real estate and offices for lease segment accounted for the largest proportion of REE's earnings, 43%, up 52% yoy due to the addition of the leased area of Etown 5 tower and Etown Central tower increasing the occupancy rate to over 95%. The power segment's earnings was VND 135 billion, accounted for 36% REE earnings, down 39% yoy. Prolonged drought negatively impacts REE's hydropower plants. In 1H 2020, their electricity output only reached 1,058 million kWh, down 25.8% yoy. Negative COVID-19 impact on the Mechanical & Electrical Engineering (M&E) segment that saw profits fell by 29% YoY to VND 33 billion. The backlog at end of June was VND 3,340 billion, new orders in 1H2020 was VND 1,235 billion, met 41% the guidance. The water segment achieved a profit of VND 54 billion, accounted for 14% REE's earnings, down 7% yoy. Although volume sale of water plants increased slightly in 1H2020, due to the government's pricing policy and consumer structure changed due to the impact of COVID 19, the economic results REE's water plants business results show a slight decrease.

### REE has new CEO from August 1, 2020

— On July 24, 2020, the Board of Directors of REE decided to appoint Mr Huynh Thanh Hai to be the new CEO of REE to replace Ms. Nguyen Thi Mai Thanh. This decision will valid from August 1, 2020 to July 31, 2023. Ms Nguyen Thi Mai Thanh will only hold the position of the Chairwoman of the Board of Directors, the position that she has held for 27 years. Moreover, Ms. Nguyen Thi Mai Thanh's son, Mr. Nguyen Ngoc Thai Binh, registered to buy 3 million REE shares, raising Mr. Binh's ownership to over 6 million shares, account for 2% of REE shares. Currently, Ms Nguyen Thi Thanh Mai's family holds about 20% of REE shares.

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## Investment ratings & definitions

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### Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Hold:	Sell:
+15% or more	+15% to -15%	-15% or more

### Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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