

Vincom Retail JSC

[Vietnam / Real Estate]

Bloomberg code (VRE VN) | Reuters code (VRE.HM)

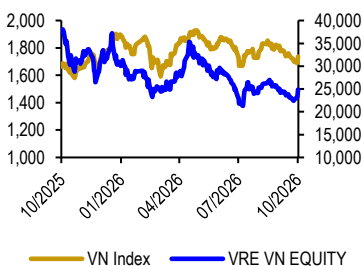
BUY

Initiation

Target price (12M) **VND 33,000**
Price (23/10/26) **VND 24,950**
Expected return **32.3%**

VNINDEX	1,774
Market P/E (26F, x)	11.4
Market cap (VND bn)	56,013
Shares outstanding (mn)	2,272
Free float (mn shares)	901
52-week high/low (VND)	39,950/20,900
90-day avg. volume (mn shares)	5.03
90-day avg. value (VND bn)	124
Foreign ownership (%)	11.04

Major shareholders (%)	Vingroup			18.37
	Sado			40.5
Price performance	3M	6M	12M	
Absolute (%)	6.9	-15.9		-36.5
Relative to VN-Index (%)	6.7	-10.5		-40.8



Source: Bloomberg

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Strength from nationwide coverage

Initiating coverage with a BUY rating and a target price of VND 33,000/share

Vincom Retail (HOSE: VRE) is Vietnam's largest shopping mall operator, owning and operating 90 malls across 31 of 34 provinces and cities under four formats - Vincom Center, Vincom Mega Mall, Vincom Plaza and Vincom+. We initiate coverage with a **BUY** rating on VRE with a target price of VND 33,000/share, derived from a NAV valuation, on four key points: 1) Vietnam's retail sector is on a strong growth trajectory against a backdrop of limited new leasable supply through 2030; (2) VRE's entrenched position and sizeable growth runway in mall leasing, underpinned by the Vingroup ecosystem; 3) Property sales are set to be a powerful growth driver over 2027-2029; and 4) A healthy financial structure with low debt, relatively stable cash flow, and the first ever cash dividend payment.

1H2026 earnings update

Vincom Retail (VRE) posted consolidated net revenue of VND 2,374 bn in 2Q2026 (+10.8% YoY) and net profit of VND 1,609 bn (+30% YoY), driven mainly by: (1) an occupancy rate of 88.6% (+2.3ppt YoY); (2) a modest increase in average rents; and (3) revenue contribution from malls opened during 2025. For 1H2026, net profit reached VND 3,215 bn (+33% YoY), led by leasing growth, a one-off gain on the disposal of investment property, and financial income. We forecast 2026F net profit of VND 5,741 bn (-11% YoY), with the decline reflecting the high base in 4Q2025, when VRE booked a VND 1,891 bn financial gain on the sale of VC Nguyen Chi Thanh.

2026F-2030F outlook: 1) A double benefit from retail market growth and asset base expansion. The outlook for Vietnam's retail property market is positive, supported by consumption growth and limited high-quality supply. CBRE forecasts retail sales to keep growing around 11-12% p.a. over 2026-2028F, while high-quality retail supply stays low over the next few years and rents are estimated to rise 3-5% p.a. As Vietnam's largest enclosed mall operator, VRE is a direct beneficiary; it targets expansion to around 110 projects with total GFA of ~3.5 mn sqm by 2030. **2) The shophouse sales segment is expected to drive a step-change in VRE's earnings from 2027F.** VRE completed the acquisition of around 211,000 sqm NSA of shophouse components across three Vinhomes mega-townships (Royal Island, Golden Avenue, Green Paradise) during 2024-2025, with launches and handovers expected from 2027F. With estimated total investment of nearly VND 18.3 tn for about 2,405 shophouse units across the three projects, the segment should contribute a meaningful share of consolidated revenue over 2027-2030F.

Risks: (1) Risks inherent in belonging to the Vingroup ecosystem; (2) General risks facing the retail leasing property sector; and (3) The risk of slow shophouse sales.

Year	2023	2024	2025	2026F	2027F
Revenue (VND bn)	9,791	8,939	8,837	9,858	13,184
Operating profit (VND bn)	5,382	4,720	7,580	6,845	7,005
Net profit (VND bn)	4,409	4,096	6,446	5,741	5,923
EPS (VND)	1,940	1,803	2837	2465	2544
BPS (VND)	16,233	18,002	20,769	22,235	23,778
Operating margin (%)	55.0	52.8	85.8	69.4	53.1
Net margin (%)	45.0	45.8	72.9	58.2	44.9
ROE (%)	12.0	10.0	13.7	11.1	10.7
PER (x)	12.0	9.5	11.9	13.4	13.0
PBR (x)	1.4	0.9	1.6	1.5	1.4

Source: Company data, Shinhan Securities Vietnam

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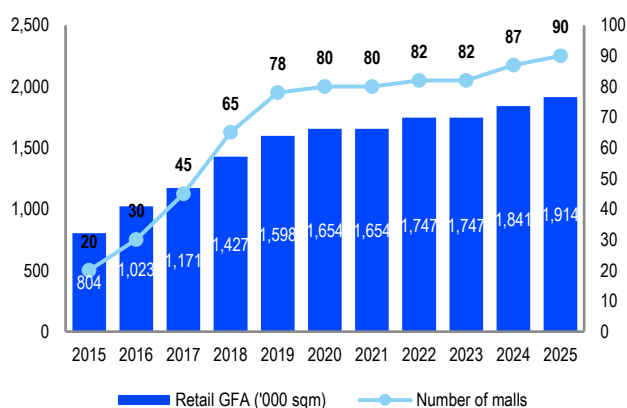
Company overview

1. VRE's history and development

Vincom Retail JSC (HOSE: VRE) is the Vingroup member company responsible for retail leasing property, listed and traded on HOSE since November 2017. From 22 malls and 883,000 sqm of GFA in 2015, the portfolio expanded to 90 malls and 1.91 mn sqm at end-2025, a CAGR of 15% in mall count and 8% in GFA over the period.

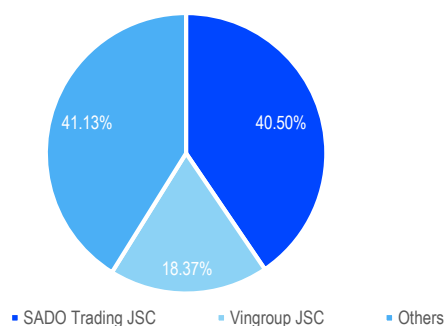
Sado Trading JSC holds 40.50% (as disclosed on December 31, 2024) and Vingroup holds a further 18.37% directly (as disclosed on December 31, 2025). Sado is a legal entity within the Vingroup ecosystem, putting the group's effective control at around 58.87%. This concentrated shareholder structure leaves VRE heavily influenced by Vingroup's strategic direction.

Mall count (right axis) and retail GFA (left axis), VRE keeps gaining share



Source: Company data, Shinhan Securities Vietnam

Shareholder structure, as of December 31, 2025



Source: FiinPro, Shinhan Securities Vietnam

Market position and brand strength: VRE is the only player with nationwide scale in the enclosed mall segment

Vietnam's enclosed mall market has three main groups of players: (i) foreign retailers operating their own malls in a handful of major cities (Aeon Mall, Lotte Mall/Department Store, SC VivoCity) - large on a per-mall basis but limited in number of locations and concentrated in Hanoi and HCMC; (ii) township developers that integrate retail podiums into residential projects but do not specialise in long-term leasing operations; and (iii) standalone street-front retail space (shophouses, storefront shops) - fragmented, with no unified operating brand.

With 90 shopping malls across 31 of 34 provinces and cities, around 232 mn visits in 2025 (+21% YoY), and Hanoi and HCMC alone accounting for about 58% of total GFA and 68% of system-wide leasing revenue, **VRE is the only company operating across all four formats at once (VCC, VMM, VCP, VC+), holding an outright leadership position by scale in Vietnam's retail property sector.** This is a position that is hard to replicate, as it requires both land bank in satellite townships (through the Vinhomes relationship) and the capability to run dozens of malls in a coordinated way.

In 2025, the company opened three new malls under the "One-stop Shoppertainment" model (Vincom Mega Mall Ocean City, Vincom Mega Mall Royal Island, Vincom Plaza Vinh), adding nearly 120,000 sqm of GFA.

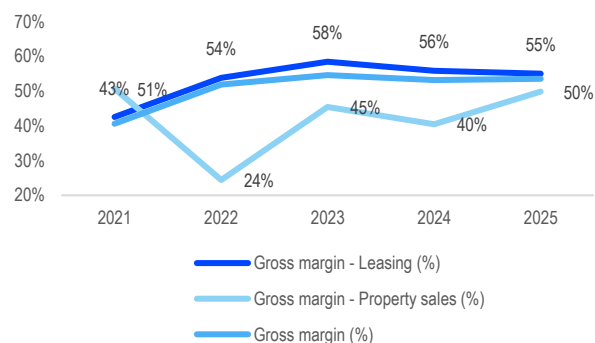
Alongside the traditional leasing business, VRE is opening a second revenue stream from property for sale: around 211,000 sqm NSA of shophouse acquired over 2024-2025 from Vinhomes mega-townships. As a result, although property sales are currently an immaterial share of the mix, the segment is expected to account for a high proportion from 2027-2030.

Investment property leasing is VRE's core business, revenue (VND bn)



Source: Company data, Shinhan Securities Vietnam

Margins by segment, with leasing sustained above 50%



Source: Company data, Shinhan Securities Vietnam

2. VRE's development strategy

VRE operates two business segments: **(i) leasing retail space and providing related services at its malls**, the core segment, accounting for 95.0% of revenue and 97.6% of gross profit in 2025; and **(ii) property sales (mainly commercial townhouses/shophouses)**, currently small in scale but expected to grow strongly from 2027F.

A. Retail leasing: four mall formats serving four distinct customer segments

VRE allocates its portfolio across four formats, each targeting a different location and customer segment. Specifically, **VCC**: international premium customers, **VMM**: multi-generational families, **VCP**: mass market, **VC+**: convenience and essentials. Within this, Hanoi and Ho Chi Minh City (26 malls) contributed 68% of total revenue from investment property leasing and related services in 2025 (55% of total GFA). All other provinces and cities (64 malls) contributed the remaining 32% of leasing revenue (45% of total GFA).

Table: VRE's four mall formats

Mall format	Typical location	Average size (sqm)	No. of malls	% of total GFA	Total GFA (sqm)	Average GFA per mall (sqm)
Vincom Center (VCC)	City centre, CBD	40,000 – 60,000	6	12%	229,200	38,200
Vincom Mega Mall (VMM)	Integrated townships	45,000 – 150,000+	8	34%	649,400	81,175
Vincom Plaza (VCP)	High-density areas in the provinces	10,000 – 40,000	61	50%	955,000	15,656
Vincom+ (VC+)	Medium-density areas outside the CBD	3,000 – 5,000	15	4%	76,400	5,093
Total			90	100%	1,910,000	21,222

Source: Company data, Shinhan Securities Vietnam

Table: VRE's GFA split by format across regions (cont.)

	North (Hanoi and provinces)	Central	South (HCMC and provinces)
Vincor Center (VCC)	57%	0%	43%
Vincor Mega Mall (VMM)	84%	0%	16%
Vincor Plaza (VCP)	35%	23%	42%
Vincor+ (VC+)	16%	50%	34%

Source: Company data, Shinhan Securities Vietnam

Vincor Retail pursues retail property portfolio expansion through two parallel models: (1) self-development of malls, mainly in the Vincor Plaza (VCP) and Vincor+ (VC+) formats, combined with shophouse products for sale; and (2) strategic partnership with property developers, particularly within the Vingroup/Vinhomes ecosystem, through a deposit mechanism that secures acquisition rights and joint development of future malls. This approach lets VRE expand its network in local markets on its own initiative while also accessing large-scale land bank in mega-townships without having to develop entire township projects itself.

- 1) **Under the self-development model**, VRE acts as the project owner and directly develops mall complexes in local markets. This strategy is typically paired with a mall-plus-commercial-street/shophouse model in which the mall serves as the commercial anchor. **This allows VRE to recover cash faster through shophouse sales, funding mall development.**
- 2) Conversely, **the deposit-based partnership model** gives VRE access to large-scale mall projects inside mega-townships. Sitting within the same ecosystem as Vinhomes, VRE enjoys a distinct advantage in partnering with Vietnam's largest property developer, which holds a land bank of up to 393 mn sqm.

Table: Development steps under a business cooperation contract (BCC)

Step 1	Step 2	Step 3	Step 4
VRE signs a business cooperation contract (BCC) and transfers the deposit to Vinhomes/Vingroup	Vinhomes/Vingroup carries out construction of the mall component (the deposit is recorded under VRE's "Other non-current assets")	Legal completion and handover of the asset to VRE for operation	VRE records the asset as investment property on the balance sheet and begins recognising leasing revenue

Table: Summary of the two development models

Criteria	Acquisition / BCC partnership	Self-investment model
Project location	Inside large-scale Vinhomes mega-townships (Ocean Park, Smart City, Grand Park, Royal Island, Golden Avenue, Green Paradise, etc.)	Standalone land bank in provincial centres and areas outside Vinhomes mega-townships
Infrastructure developer	Vinhomes / Vingroup	VRE or an investing subsidiary
Typical asset formats*	VMM, VCC and some commercial-service units within VHM projects	VCP and VC+, plus some standalone commercial townhouse projects (Dong Ha – Quang Tri, Dien Bien, etc.)
Balance sheet treatment	_ Deposit under a business cooperation contract (BCC); the deposit is recorded under Other non-current assets during the construction phase.	_ VRE invests directly; recorded under construction in progress .

Criteria	Acquisition / BCC partnership	Self-investment model
	On handover, once VRE obtains control, the asset is recorded under Investment property	On completion and commencement of leasing, the mall is recorded as investment property and the shophouses for sale as inventories
Financial model	Leverages existing infrastructure and resident footfall from Vinhomes; earns deposit interest of 10%-12% p.a.	Builds and sells surrounding commercial townhouses (shophouses) to recover part of the capital invested in the mall at the centre

Source: Company data, Shinhan Securities Vietnam; *not 100% of each format follows a single development route

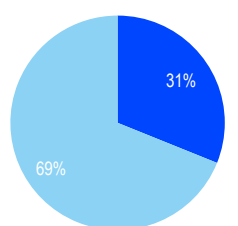
Tenant development and mall operating strategy

We provisionally group VRE's tenant development strategy into the following three categories:

Group 1 – Long-term anchor tenants: These are major brands occupying substantial floor space and generating baseline footfall for the entire mall. Representative names include CGV (cinemas), WinMart (supermarkets), Aeon Fantasy/Funny Kids (play zones), UNIQLO, H&M and Zara. This tenant group is stable and underpins baseline traffic across the mall. VRE also holds a share of these major brands' store counts that is well ahead of the market.

Group 2 – International and domestic tenants: In 1H2026, nearly 140 new brands joined the system, contributing 31% of total new leased area. Of this, 66% of new area went to Vietnamese brands and 34% to international brands

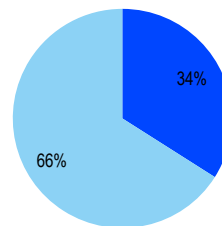
Contribution to new leased area in 2026 from new and existing brands



■ New brands ■ Existing brands

Source: Company data as of end-2Q2026, Shinhan Securities Vietnam

Share of new leased area taken by domestic and international brands in 2026



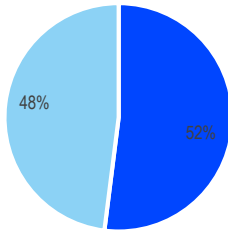
■ International brands ■ Vietnamese brands

Source: Company data as of end-2Q2026, Shinhan Securities Vietnam

Group 3 — F&B and experiential entertainment tenants: This is the group VRE is prioritising most aggressively. **F&B and entertainment accounted for 48% of new leased area in 1Q2026.** Raising the weighting of food and beverage (F&B) and entertainment categories also materially lifts dwell time and the quality of the customer experience across the Vincom network.

In addition, around 80% of VRE's leasing revenue comes from fixed-rent contracts, with the remaining 20% from revenue-sharing contracts. This structure makes most leasing revenue predictable and insulated from swings in tenant sales. Notably, the revenue-sharing tenant group is also performing well: sales at stores in the revenue-sharing group rose 25% versus the same period of 2024, outpacing the 21% increase in footfall, indicating that spend per visit is improving. This gives VRE a double benefit: stable fixed rental income plus an additional share when tenants trade well.

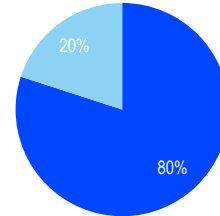
New leased area by trade category in 1Q2026, dominated by F&B and entertainment



■ Food & beverage and entertainment ■ Others (supermarket, fashion, etc.)

Source: Company data, Shinhan Securities Vietnam

Fixed-rent versus revenue-sharing leases



■ Fixed-rent contracts ■ Revenue-sharing contracts

Source: Company data, Shinhan Securities Vietnam

B. Property sales segment – shophouses

Before 2022, VRE generated little revenue from this segment. From 2023, VRE began handing over Vincom Shophouse Royal Park (Dong Ha, Quang Tri), the first time the company had self-developed a shophouse product alongside a mall. Results beat expectations: property sales revenue reached VND 1,772 bn (more than 4x the prior-year period), mainly on the handover of 268 units. Notably, the gross margin came in at 44.3%, the highest in the segment's history, reflecting the advantage of VRE controlling the full value chain from development through to sales.

From 2024, mirroring the mall leasing business, VRE moved beyond self-development and began placing deposits with partners – mainly Vinhomes – to acquire shophouse components at their projects. Because these are not self-developed, margins are lower, at around 30%.

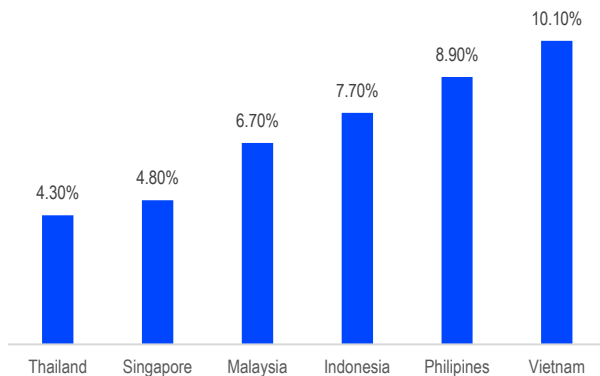
In 2026, VRE officially launched Vincom Collection, a curated experiential commercial-street brand line located within Vinhomes mega-townships. The model combines five pillars: Play & Explore, Culture & Events, Shopping, Dining, and Relaxation. VRE does not only sell shophouses but also “manages operations, working with developers to create new commercial playing fields through an aggressive build-out of its commercial-street network – around 75 new commercial streets with total land area of up to 3.5 mn sqm nationwide. At the 2026 AGM, management indicated the segment would contribute 1.5–2% of 2026 revenue through management fees and leasing services.

Investment thesis

1. A double benefit from retail market growth and asset base expansion

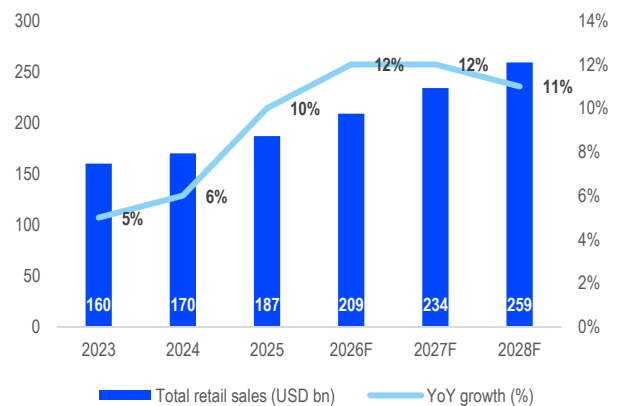
The outlook for Vietnam's retail property market is **positive, supported by consumption growth and limited high-quality supply**. According to Euromonitor, Vietnam's private consumption expenditure is forecast to grow 10.1% p.a. over 2026–2030F, among the highest in the region, while CBRE forecasts retail sales to keep growing around 11–12% p.a. over 2026–2028F. Together with urbanisation and an expanding middle class, these factors support demand for modern retail formats and malls that integrate shopping, F&B and entertainment.

Vietnam's private consumption growth is among the highest in the region over 2026F–2030F



Source: Euromonitor, Shinhan Securities Vietnam

Total retail sales expected to grow at double digits (USD bn)



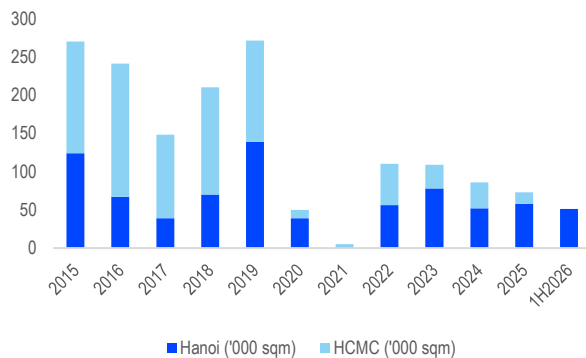
Source: CBRE, Shinhan Securities Vietnam; total retail sales of goods at current prices, excluding accommodation, catering and tourism services.

High-quality mall supply in major cities remains constrained, supporting the operating performance of existing assets.

According to CBRE, HCMC saw no new retail supply in 1H2026 and the CBD vacancy rate stood at 3.0% in 2Q2026, down 2.2ppt YoY, while rents rose 3.6% YoY.

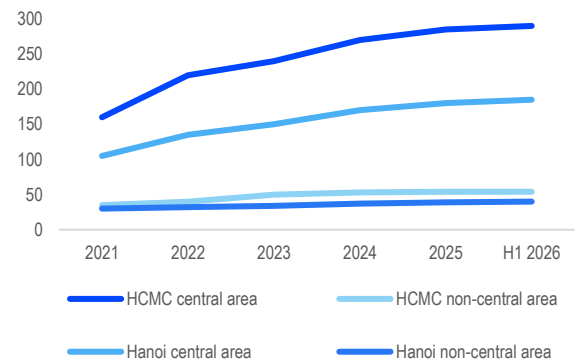
In Hanoi, new supply continued to come on stream in 2Q2026, showing that scarcity differs by market; the advantage of existing malls therefore depends heavily on location, asset quality and the ability to attract tenants. CBRE forecasts that **high-quality retail supply in Hanoi and HCMC will total only around 81,900 sqm NLA p.a. over 2026–2028F**, well below the 142,800 sqm p.a. recorded over 2015–2025, allowing well-located existing malls to sustain occupancy and improve rents. **Rents in central areas are accordingly forecast to rise modestly by 3–5% p.a. in the coming years.**

Retail NLA supply is trending lower in Hanoi and HCMC



Source: CBRE, Shinhan Securities Vietnam

Average asking rents anchored high (USD/sqm/month)



Source: CBRE, Shinhan Securities Vietnam

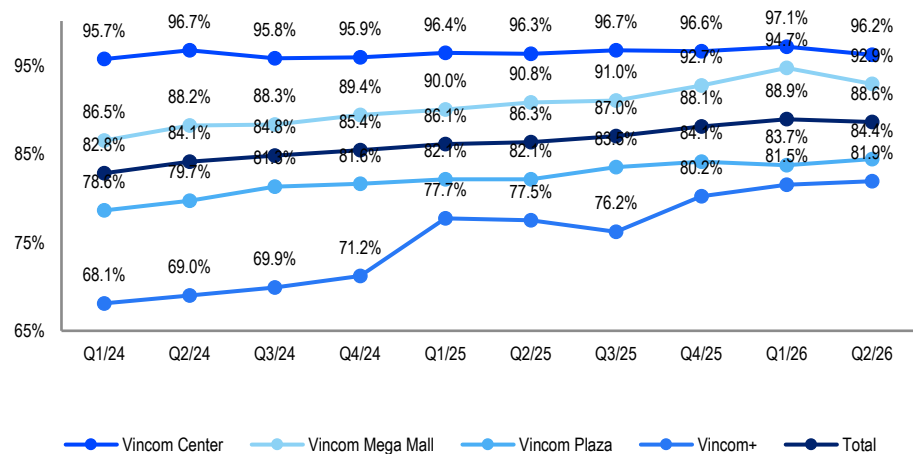
As Vietnam's largest enclosed mall operator, VRE is a direct beneficiary of this supply-demand gap, through its ability to raise rents, lift occupancy at existing malls and expand retail floor space

System-wide occupancy rose from 83% (2021) to 88% (2025) and 88.6% (2Q2026), and we forecast further improvement to 89% over 2027-2030F, with gains spread evenly across all four mall formats.

VRE targets expansion to around 110 projects with total GFA of about 3.5 mn sqm by 2030, supported by 764,000 sqm already secured via deposits (per the 2Q2026 financial statements, VRE had placed deposits of VND 15,084 bn). Some 90% of this GFA sits in the VMM (Vincom Mega Mall) format within VHM's upcoming mega-projects. The newly announced project pipeline comprises:

- 1) Vincom Plaza Dan Phuong (Hanoi, GFA ~25,000 sqm, opened August 28, 2026, 93% occupied at opening)
- 2) J-Town - the first Vincom Collection Commercial Streets (Tuyen Quang, expected to open in 4Q2026; a fifth retail format alongside the four existing ones).
- 3) VMM Global Gate (expected to open in 2029F) and three Green Paradise malls (GFA ~35,000 sqm, expected to open in 2028F)

Occupancy rates by VRE mall format



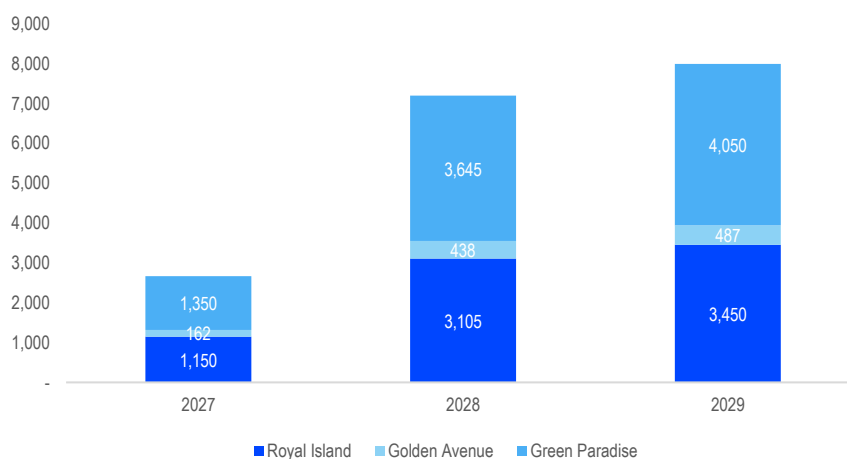
Source: Company data, Shinhan Securities Vietnam

2. The shophouse sales segment is expected to drive a step-change in VRE's earnings from 2027F

VRE completed the acquisition of around 211,000 sqm NSA of shophouse components across three Vinhomes mega-townships during 2024-2025, with launches and handovers expected to begin from 2027F. This is a "property sales" revenue stream, different in nature from recurring leasing revenue: it is recognised in line with batch handover progress rather than evenly by quarter. With estimated total investment of nearly VND 18.3 tn for about 2,405 shophouse units across the three projects, the segment should contribute a meaningful share of consolidated revenue over 2027-2030F.

Metric	Vinhomes Royal Island	Vinhomes Golden Avenue	Vinhomes Green Paradise
Expected launch	2027 – 2028	2027 – 2028	2028 – 2030
Location	Hai Phong	Quang Ninh	Ho Chi Minh City
NSA (sqm)	85,600	24,200	101,000
Estimated units	1,000	280	1,125
Estimated total investment (VND tn)	4.8	1.2	12.3

Property sales revenue, 27F-29F (bn VND)



Source: Company data, Shinhan Securities Vietnam

The State Bank of Vietnam has mandated rate cuts, providing additional support

The State Bank of Vietnam issued Official Letter No. 9608/NHNN-CSTT on the implementation of operating measures by credit institutions across the system, signalling a determination to achieve double-digit growth while placing monetary security and the safety of credit institutions at the forefront.

Under the letter, the State Bank requires banks to cut listed deposit rates by at least 0.5 percentage points per annum on tenors of six months and above, and strictly prohibits any race to raise funding rates. Banks must also reduce lending rates, with cuts of 1.5-2 percentage points per annum concentrated in production, business and priority sectors. While we see no direct impact, we expect lower rates to support investor demand for shophouses.

2Q2026 earnings update and 3Q2026 forecast

Table: 2Q2026 earnings update

	2Q2026	YoY	1H2026	YoY	Comment
Net revenue	2,374	11%	4,667	9%	
Retail leasing	2,268	10%	4,476	9%	Driven by higher occupancy, higher average rents and the contribution of malls opened in 2025 versus the prior-year period
Property sales	21	72%	39	-36%	The inventory of shophouse units sold in prior years is almost exhausted
Others	85	38%	153	28%	
Gross profit	1,398	18%	2,652	11%	
Retail leasing	1,385	21%	2,625	13%	
Property sales	9	-55%	15	-66%	
Others	4	0%	12	-36%	
Gain on disposal of investment property	0	<i>NA</i>	185	<i>129061%</i>	Disposal of non-mall (non-core) investment property
Operating profit	1,267	24%	2,557	25%	
Financial income	845	25%	1,680	29%	Mainly interest income on deposits placed with Vingroup and Vinhomes.
Financial expenses	-220	-18%	-425	-17%	
NPATMI	1,609	30%	3,215	33%	Driven by leasing growth, a one-off gain and financial income
<i>Gross margin</i>	<i>59%</i>		<i>57%</i>		
<i>Operating margin</i>	<i>53%</i>		<i>55%</i>		
<i>NPATMI margin</i>	<i>68%</i>		<i>69%</i>		

Source: Company data, Shinhan Securities Vietnam

Table: 3Q2026F and 2026F earnings forecast

	3Q2026F	YoY	2026F	YoY
Net revenue	2,420	8%	9,858	12%
Retail leasing	2,312	9%	9,375	12%
Property sales	21	-62%	205	21%
Others	87	19%	278	4%
Gross profit	1,295	14%	5,211	10%
Retail leasing	1,278	15%	5,156	12%
Property sales	7	-72%	30	-65%
Others	11	NA	25	NA
Gain on disposal of investment property	0	NA	185	NA
Operating profit	1,122	13%	4,719	21%
Financial income	802	0%	3,167	-33%
Financial expenses	-234	-33%	-1,040	-2%
NPATMI	1,431	4%	5,741	-11%*
<i>Gross margin</i>	54%		53%	
<i>Operating margin</i>	46%		48%	
<i>NPATMI margin</i>	59%		58%	

Source: Company data, Shinhan Securities Vietnam; *2026F earnings decline despite 1H2026 NPATMI growth of +33% YoY, mainly because of the high 2H2025 base, which included a VND 1,891 bn financial gain on the sale of VC Nguyen Chi Thanh.

2026F-2030F earnings forecasts

1. Key driving assumptions

_ We assume average retail GFA additions of around 99,000 sqm p.a. over 2027-2030F, consistent with VRE's target of ~110 projects and ~3.5 mn sqm of GFA by 2030. Identifiable projects within this include: VCP Dan Phuong (GFA ~25,000 sqm, opened August 28, 2026), J-Town - the first Vincom Collection Commercial Streets (Tuyen Quang, expected to open in 4Q2026), VMM Global Gate (GFA ~70,000 sqm, expected to open in 2029F), and three Green Paradise malls (GFA ~35,000 sqm, expected to open in 2028F).

_ The property sales (shophouse) segment starts contributing meaningful revenue from 2027F and peaks as a share of the mix in 2028F, as handovers begin at Royal Island, Golden Avenue and Green Paradise. We forecast an average margin of around 30%.

Table: VRE earnings forecast, 2026F-2030F

	2023	2024	2025	2026F	2027F	2028F	2029F	2030F
Total GFA ('000 sqm)	1,746.9	1,840.9	1,912.9	1,996	2,094	2,189	2,301	2,421
VCC	280	280	233	238	242	247	252	257
VMM	512	557	657	716	781	851	927	1,011
VCP	883	932	951	970	999	1,019	1,050	1,081
VC+	72	72	72	72	72	72	72	72
Occupancy rate (%)	85%	85%	88%	89%	89%	89%	89%	90%
Leasing revenue (VND bn)	7,796	7,878	8,400	9,375	10,249	11,145	12,168	13,297
Property sales revenue (VND bn)	1,772	839	170	205	2,662	7,188	7,987	8,786
Net revenue (VND bn)	9,791	8,939	8,837	9,858	13,184	18,609	20,429	22,358
NPATMI (VND bn)	4,409	4,096	6,446	5,741	5,923	7,328	8,851	10,672

Source: Company data, Shinhan Securities Vietnam

Valuation and recommendation

BUY rating with a target price of VND 33,000

We initiate on VRE with a BUY rating and a target price of VND 33,000, implying 32.3% upside from the October 23rd, 2026 close price of VND 24,950, on the following investment points:

- 1) Vietnam's retail sector is on a strong growth trajectory against a backdrop of limited leasable supply through 2030.
- 2) An entrenched position and sizeable growth potential in mall leasing, underpinned by the Vingroup ecosystem.
- 3) Property sales are a powerful growth driver over 2027-2029.
- 4) A healthy financial structure with low debt, relatively stable cash flow, and a first-ever cash dividend (raising expectations of a high payout dividend cycle, though this warrants further monitoring).

Valuation methodology

We value VRE using a NAV (Net Asset Value) approach, capitalising the net operating income (NOI) of the operating mall portfolio at format-specific cap rates (VCC/VMM/VCP/VC+). This suits a leasing property company with stable cash flows and assets that can be valued individually.

We derive the cap rate for each VRE mall format from inputs of WACC = 15.6% and $g = 1\%$, then adjust by location for each format using the cap rate survey in CBRE's April 2026 report, which puts central and suburban areas at 7% and 8.25% respectively.

Weighted Average Cost of Capital (WACC)

WACC (%)	15.6%
Risk-free rate (%)	4.40%
Equity risk premium (%)	8.46%
Beta (2y)	1.40
Cost of debt (%)	11.0%
Cost of equity (%)	16.2%
Debt-to-capital ratio	0.11
Value of debt (VND bn)	23,654

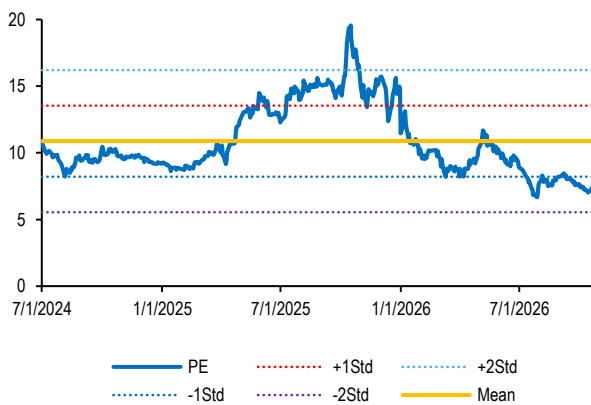
Source: Company data, Shinhan Securities Vietnam

VRE valuation model		
Item	Value (VND bn)	
Leasing property	69,815	
VCC	22,610	Cap rate
VMM	22,679	Cap rate
VCP	17,134	Cap rate
VC+	1,139	Cap rate
Identified new projects	6,253	Cap rate
Property sales	9,021	DCF

(+) Cash and cash equivalents + short-term investments	5,843	BV
(+) Other assets	3,839	BV
(-) Total debt	13,496	BV
Equity value	75,022	
Shares outstanding (mn shares)	2,272	
NAV per share (VND)	33,020	
Current price	24,950	
Upside	32.3%	

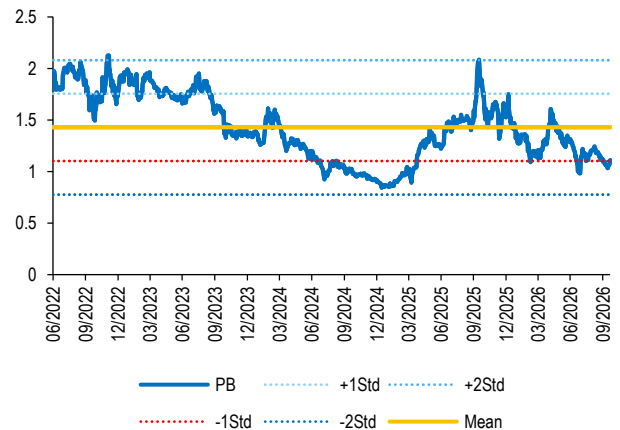
Source: Company data, Shinhan Securities Vietnam

VRE PER



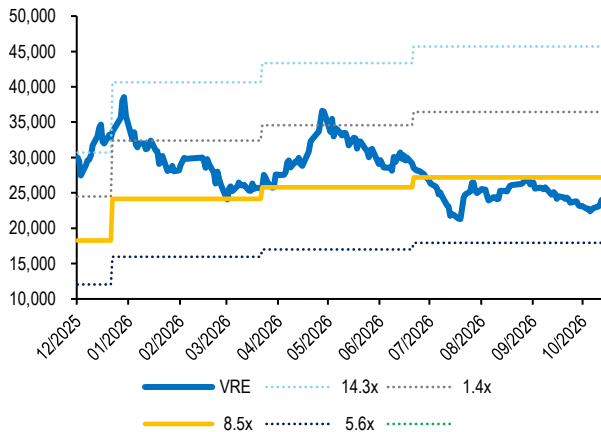
Source: Bloomberg, Company data, Shinhan Securities Vietnam

VRE PBR



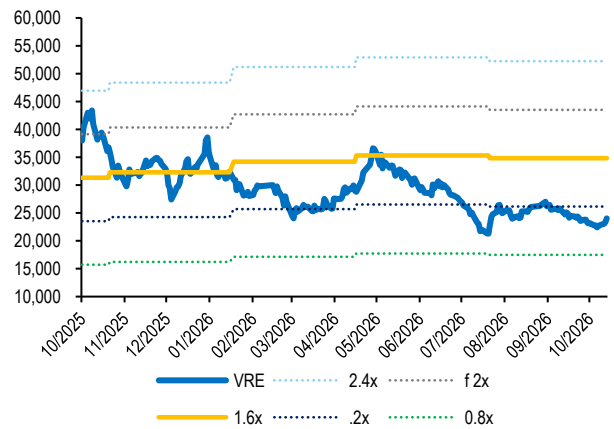
Source: Bloomberg, Company data, Shinhan Securities Vietnam

VRE PE band



Source: Bloomberg, Company data, Shinhan Securities Vietnam

VRE PB band



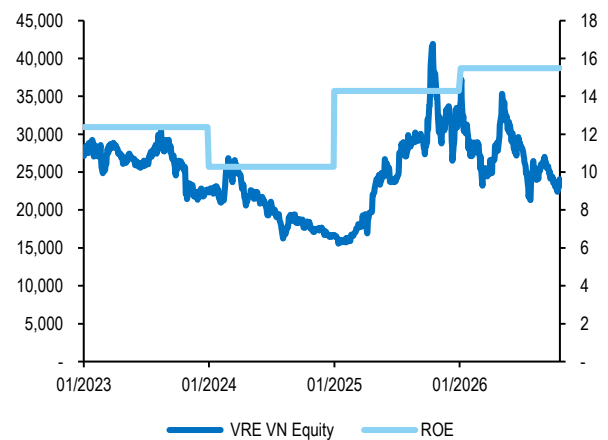
Source: Bloomberg, Company data, Shinhan Securities Vietnam

VRE EV/EBITDA



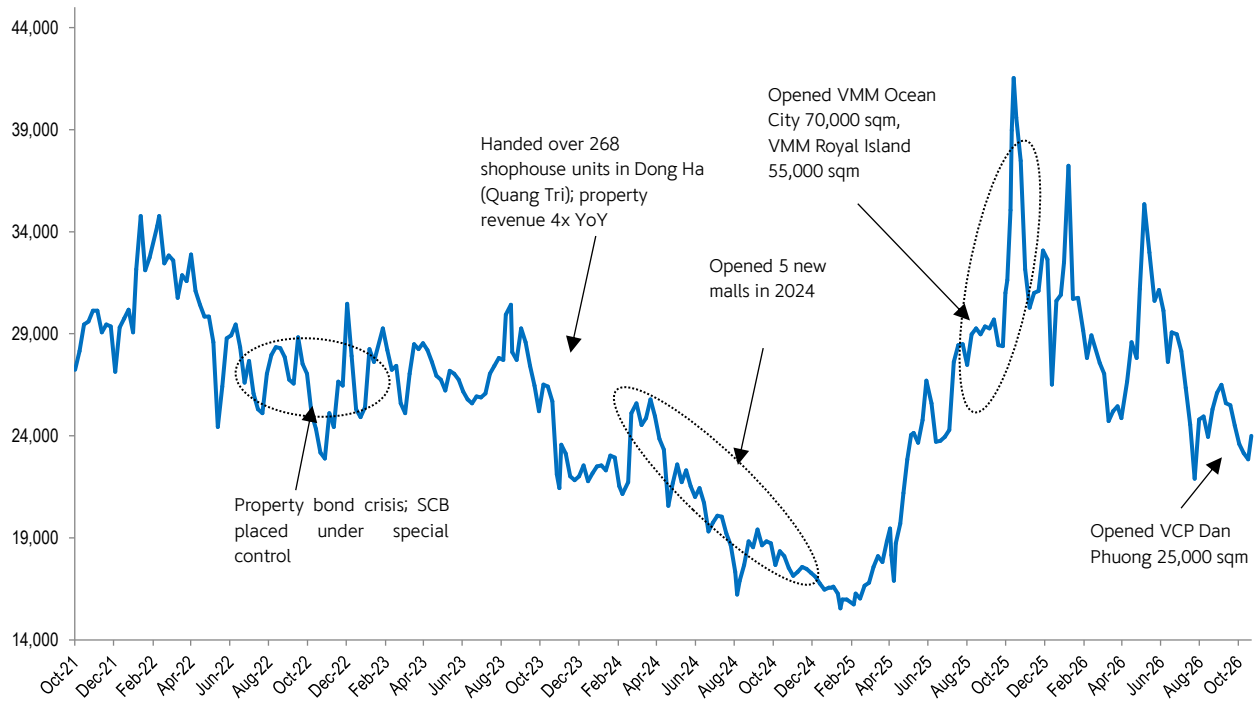
Source: Bloomberg, Company data, Shinhan Securities Vietnam

VRE share price and forecast ROE



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Key events for VRE



Source: Bloomberg Company data, Shinhan Securities Vietnam

Investment risks

Risks inherent in belonging to the Vingroup ecosystem

VRE unquestionably enjoys a substantial advantage from the extensive land bank and market position of Vinhomes and Vingroup. **VRE's most material risk lies in how capital is allocated to related parties.** In the 2Q2026 consolidated financial statements, long-term deposits amounted to around VND 25.4 tn (41% of total assets). These are mainly mall investments within Vinhomes mega-projects and the shophouse components held for sale. In other words, close to half of VRE's balance sheet is currently not revenue-generating operating assets but long-term receivables/deposits/loans to related parties (Vingroup/Vinhomes, tied to BCC land bank). VRE's cash flow therefore depends heavily on its partners' execution timetable, generates no immediate cash, and carries credit concentration risk to a single related group (of which around VND 15 tn of deposits earns interest at 12% p.a.).

Other non-current assets are a growing share of VRE's total assets



Source: Company data, Shinhan Securities Vietnam

General risks facing the retail leasing property sector, and the risk of slow shophouse sales

The retail market currently faces rapidly shifting consumer behaviour, the move to omnichannel shopping, competition from e-commerce, and cost-optimisation pressure among retail brands. These factors bear directly on tenants' ability to absorb rent. In addition, consumer demand will also be affected by rising interest rates, particularly in non-essential categories such as luxury and leisure shopping.

On the regulatory front, mall development and operation are governed by land, construction and fire-safety legislation, so approval delays or regulatory changes could extend the expansion timetable.

On interest rates, this is a concern that could slow demand for property in general and shophouse products in particular. VRE had previously planned to launch and hand over shophouses at three Vinhomes projects - Royal Island, Golden Avenue and Green Paradise - in 2026, but unfavourable market conditions and margins lower than those on self-developed products led the company to push the sales plan back to 2027. If market demand remains weak, there is a risk of further launch delays or price cuts.

Appendix: Financial statements

Balance sheet

Year (VND bn)	2023	2024	2025	2026F	2027F
Total assets	47,654	55,226	61,279	65,750	69,028
Current assets	10,036	12,312	7,961	24,344	29,015
Cash and cash equivalents	4,102	2,885	4,435	2,628	8,087
Short-term financial investments	1,071	126	133	149	199
Receivables	1,613	2,016	2,886	2,964	3,688
Inventories	640	295	236	18,300	16,636
Other current assets	2,611	6,990	271	303	405
Non-current assets	37,617	42,914	53,318	41,406	40,014
Fixed assets	387	203	263	326	383
Construction in progress	1,028	802	267	267	267
Other non-current assets	36,202	41,909	52,788	40,813	39,363
Total liabilities	9,827	13,304	12,911	13,970	13,653
Current liabilities	6,245	5,921	5,174	6,741	8,504
Payables	448	462	659	565	659
Advances from customers	314	185	309	274	414
Short-term borrowings and finance	1,792	2,010	21	1,065	1,172
Others	3,691	3,264	4,185	4,836	6,259
Non-current liabilities	3,582	7,383	7,737	7,229	5,150
Long-term borrowings and finance	2,144	2,523	6,380	5,872	3,793
Others	1,438	4,860	1,357	1,357	1,357
Owners' equity	37,827	41,923	48,368	51,780	55,375
Paid-in capital	23,288	23,288	23,288	23,288	23,288
Share premium	47	47	47	47	47
Other capital	-2,007	-2,007	-2,007	-2,007	-2,007
Retained earnings	16,476	20,595	27,040	30,452	34,047
Non-controlling interests	23	0	0	0	0
*Total debt	3,936	4,533	6,401	6,937	4,965
*Net debt (cash)	(1,237)	1,522	1,833	4,160	(3,321)

Cash flow statement

Year (VND bn)	2023	2024	2025	2026F	2027F
Cash flow from operating activities	3,892	758	(3,262)	(13,626)	7,613
Profit before tax	4,409	4,096	6,446	5,741	5,923
Depreciation and amortisation	1,454	1,379	1,381	1,451	1,558
(Gains) from investing activities	(1,145)	(1,792)	(4,751)	(3,167)	(2,362)
Change in working capital	(2,361)	(4,839)	(8,763)	(17,651)	2,494
Other changes	1,535	1,915	2,424	-	-
Cash flow from investing activities	(7,521)	(2,463)	3,008	13,612	2,147
Change in fixed assets	1,140	1,940	2,774	3,071	2,266
Change in investment assets	(7,414)	(6,030)	(11,571)	10,540	(120)
Others	(1,247)	1,627	11,805	-	-
Cash flow from financing activities	711	488	1,804	(1,793)	(4,301)
Change in share capital	-	-	-	-	-
Borrowings/(repayments)	711	488	1,804	536	(1,973)
Dividends and profit paid to owners	-	-	-	(2,329)	(2,329)
Net change in cash for the year	(2,918)	(1,217)	1,550	(1,806)	5,458
Cash at beginning of year	7,020	4,102	2,885	4,435	2,628
FX translation effect	-	-	-	-	-
Cash at end of year	4,102	2,885	4,435	2,628	8,087

Source: Company data, Shinhan Securities Vietnam

Income statement

Year (VND bn)	2023	2024	2025	2026F	2027F
Net revenue	9,791	8,939	8,837	9,858	13,184
Growth (%)	33.0	-8.7	-1.1	11.5	33.7
Cost of goods sold	(4,445)	(4,184)	(4,105)	(4,647)	(6,661)
Gross profit	5,346	4,755	4,732	5,211	6,524
Gross margin (%)	54.6	53.2	53.5	52.9	49.5
Selling, general and administrative expenses	(780)	(983)	(839)	(677)	(921)
Operating profit	4,566	3,773	3,893	4,534	5,603
Growth (%)	55.9	(12.3)	60.6	(9.7)	2.3
Operating margin (%)	46.6	42.2	44.1	46.0	42.5
Other profit	960	1,361	4,190	2,480	1,825
Financial income	1,146	1,786	4,751	3,167	2,362
Financial expenses	(330)	(838)	(1,065)	(1,040)	(960)
Of which: interest expense	(330)	(566)	(628)	(604)	(577)
Net profit from other activities	144	413	503	354	423
Profit before tax	5,526	5,133	8,083	7,014	7,428
Corporate income tax	(1,117)	(1,038)	(1,637)	(1,458)	(1,505)
Net profit after tax	4,409	4,096	6,446	5,741	5,923
Growth (%)	58.8	(7.1)	57.4	(10.9)	3.2
Net margin (%)	45.0	45.8	72.9	58.2	44.9
Net profit attributable to parent	4,409	4,096	6,446	5,741	5,923
Non-controlling interests	0	0	0	0	0
EBIT	5,857	5,699	8,712	7,803	8,005
Growth (%)	50.8	(2.7)	52.9	(10.4)	2.6
Margin (%)	59.8	63.8	98.6	79.2	60.7
EBITDA	7,310	7,079	10,093	9,254	9,563
Growth (%)	37.0	(3.2)	42.6	(8.3)	3.3
Margin (%)	74.7	79.2	114.2	93.9	72.5

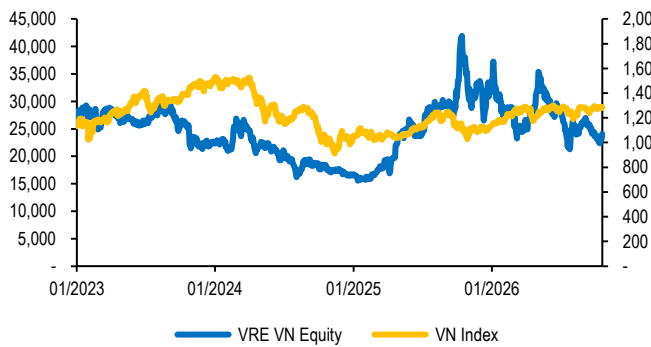
Financial ratios

Year	2023	2024	2025	2026F	2027F
EPS (VND)	1,940	1,803	2,837	2,465	2,544
BPS (VND)	16,233	18,002	20,769	22,235	23,778
PER (x)	12.0	9.5	11.9	13.4	13.0
PBR (x)	1.4	0.9	1.6	1.5	1.4
Profitability					
EBITDA margin (%)	74.7	79.2	114.2	93.9	72.5
Operating margin (%)	46.6	42.2	44.1	46.0	42.5
Net margin (%)	45.0	45.8	72.9	58.2	44.9
ROA (%)	9.3	7.4	10.5	8.7	8.6
ROE (%)	11.7	9.8	13.3	11.1	10.7
Financial strength					
Debt/Equity (%)	10.4	10.8	13.2	13.4	9.0
Net debt/EBITDA (%)	(16.9)	21.5	18.2	45.0	(34.7)
Cash ratio (%)	82.8	50.8	88.3	41.2	97.4
Interest coverage (x)	17.7	10.1	13.9	12.9	13.9
Operating efficiency (x)					
Payables turnover (x)	7.6	9.2	7.3	7.6	10.9
Inventory turnover (x)	4.9	8.9	15.5	0.5	0.4
Receivables turnover (x)	6.5	4.9	3.6	3.4	4.0

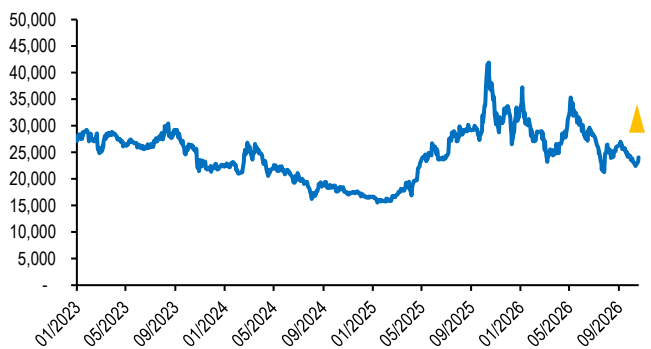
Source: Company data, Shinhan Securities Vietnam

Vincom Retail JSC (VRE VN)

Share price



Target price



Date	Rating	Target price (VND)	Target price range (%)	
			Avg	High/Low
October 26, 2026 (Initiation)	BUY	33,000	15.0	-12.8/35.5

Note: target price dispersion is calculated over the past 12 months

Shinhan Securities Vietnam

Stocks

- ♦ **BUY:** expected 12-month return of 15% or more
- ♦ **HOLD:** expected 12-month return between -15% and 15%
- ♦ **SELL:** expected 12-month return below -15%

Sectors

- ♦ **OVERWEIGHT:** the largest-cap covered stock in the sector is rated BUY
- ♦ **NEUTRAL:** the largest-cap covered stock in the sector is rated HOLD
- ♦ **UNDERWEIGHT:** the largest-cap covered stock in the sector is rated SELL

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