

Retail Research

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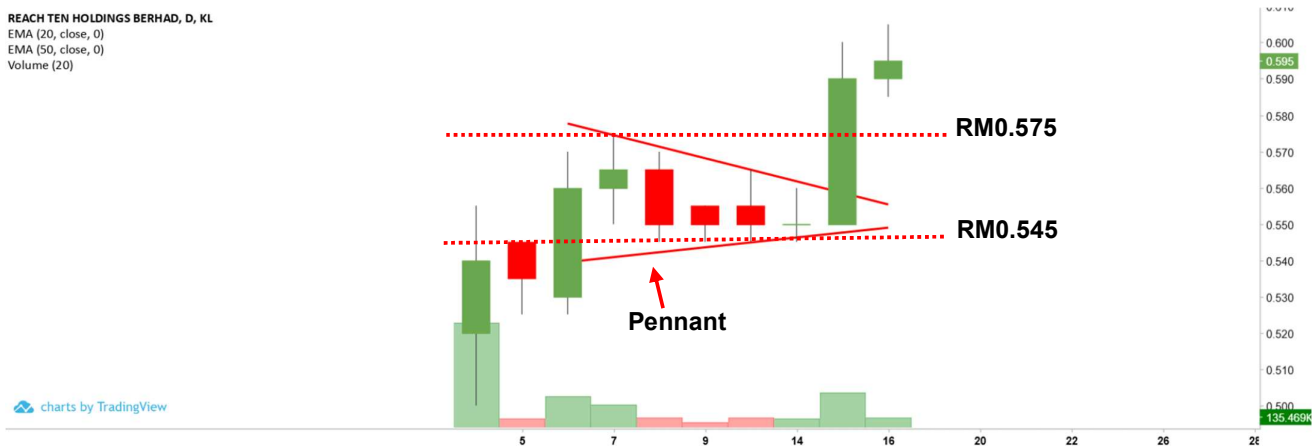
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19 May 2025

REACH TEN HOLDINGS (REACHTEN | 5332)

Last Price: RM0.595 | Technical Call: **BUY** | Target Price: RM0.70

REACH TEN HOLDINGS BERHAD, D, KL
EMA (20, close, 0)
EMA (50, close, 0)
Volume (20)



Bursa Code: REACHTEN, 5332	Support 1: RM0.575	Entry: RM0.575–0.595
Sector: Telecommunications	Support 2: RM0.545	Target: RM0.65, RM0.70
Market Cap: RM595mil	Resistance 1: RM0.65	Exit: RM0.535
Shariah Compliant: Yes	Resistance 2: RM0.70	

Company Profile. Reach Ten is a leading telecommunications service provider delivering integrated solutions for corporate, government, and Telco markets. Its offerings include bandwidth, VSAT, private lines, dedicated Internet, international connectivity, and data centre solutions, serving operators and enterprises throughout Malaysia. The group's operations are organized into 3 core segments: (i) satellite-based communication networks, (ii) fibre optic communication networks, and (iii) telecommunication infrastructure and managed services. While serving clients nationwide, Reach Ten primarily focuses its business activities in Sarawak.

Growth Strategies. (i) Broaden fibre optic communication infrastructure by enhancing presence in Kuching and establishing new networks in Miri, Sibul, and Bintulu. This expansion is driven by the growing population and commercial activity in these areas. (ii) Over the next 3 years, construct 100 additional 4G/5G telecommunications towers, primarily in Miri, Sibul, and Bintulu. This aligns with national and state digital blueprints, such as the Malaysia Digital Economy Blueprint and the Sarawak Digital Economy Blueprint 2030, to improve connectivity and support smart city development. (iii) Upgrade satellite services by acquiring new equipment and expanding teleport facilities, enabling wider coverage and IoT integration for the logistics, maritime, and offshore oil & gas sectors.

Financial Performance. In 4QFY24, Reach Ten reported revenue of RM34mil and a profit after tax (PAT) of RM18.6mil. Quarter-on-quarter (QoQ) and year-on-year (YoY) comparisons are not available, as the company was only listed on 2 May 2025. The group currently holds an order book of RM175.6mil and is targeting a dividend payout ratio of up to 30% of its profit.

Valuation. Reach Ten is currently trading at an FY24 P/E of 8.5x, compared to the Bursa Telecommunications & Media Index's 19.8x. In comparison, OCK Group—primarily involved in providing telecommunications network services with full turnkey capabilities—trades at a higher FY24 P/E of 13.5x.

Technical Analysis. Reach Ten may trend higher after surging to a new all-time high and closing above the RM0.575 resistance two sessions ago. As the stock has also broken out of a 1-week bullish pennant pattern, it may see additional strength in the near term. A bullish bias may emerge above the RM0.575 level, with a stop-loss set at RM0.535, below the 8 May low. On the upside, near-term resistance is seen at RM0.65, followed by RM0.70.

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