

OCK Group Berhad

Beneficiary of the 5G Telco Demand

- OCK delivered a higher net profit YoY to RM39.4m
- Anticipating a surge within the Malaysian telecommunications industry
- Growing contribution from overseas presence amid growing telco demands
- Technically, OCK last closed at RM0.615. Monitor for a breakout, targeting RM0.66-0.67, with a LT target at RM0.69. Support is located around RM0.59-0.595, while cut loss is at RM0.57.

Chiang Fong Kai
fkchiang@msec.com.my
(603) 2201 2100

Company profile

OCK is principally involved in the provision of telecommunications network services. The Company's product/service offering comprehensively covers services from the telecommunications network services market: network planning, design and optimization, network deployment, network operations and maintenance, energy management, infrastructure management, and others.

OCK daily: Sideways consolidation breakout



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Trading Catalyst

- **OCK delivered a higher net profit YoY.** In FY23, OCK has achieved a net profit of RM39.4m (+17.1% YoY) from RM33.7m on the back of a higher YoY revenue.
- **Anticipating a surge within the Malaysian telecommunications industry.** The industry outlook is supported by several ongoing initiatives such as the second phase for Point of Presence (PoP) and Jalinan Digital Negara (Jendela) as well as the 5G spectrum roll out under Digital Nasional Berhad ("DNB"). OCK will benefit from DNB's plans to increase 5G sites in urban areas while improving network coverage rural areas.
- **Growing contribution from overseas presence.** OCK is positive on higher overseas contribution from (i) Vietnam – tower network expansions, (ii) Indonesia – strong demand for network management services, (iii) Laos – OCK's recent entry into Laos, coupled with general increasing demand from the advancement of 5G technology.

Technical Outlook

- Share price has been consolidating around RM0.62 and last closed at RM0.615. As the technical readings are positive, we expect follow-through buying interest to be seen in the near term, targeting RM0.66-0.67, with a LT target at RM0.69. Support is set around RM0.59-0.595, with a cut loss set around RM0.57.

OCK GROUP BHD

| | |
|------------------------------|----------|
| Last Price (RM) | 0.615 |
| 5 Day Change (%) | 3.4 |
| 1 Day Range Percentile (%) | 100.0 |
| 5 Day Range Percentile (%) | 66.7 |
| 52Week Range Percentile (%) | 96.0 |
| Volatility 30D | 25.4 |
| EMA9, EMA20, EMA60 Trend | Uptrend |
| Price vs. EMA20 (%) | 3.6 |
| DMI DI+ | 21.9 |
| DMI DI- | 17.0 |
| ADX | 24.4 |
| RSI 14D | 58.5 |
| RSI OB/OS | Positive |
| Price vs. Bollinger Band (%) | 80.8 |

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Financial snapshot

| FYE Dec | FY22 | FY23 | FY24f |
|-------------------|--------|--------|--------|
| Revenue (RM m) | 617.1 | 724.6 | 800.0 |
| Net profit (RM m) | 32.8 | 39.4 | 57.1 |
| Shares (m) | 1054.5 | 1054.7 | 1054.7 |
| EPS (sen) | 3.1 | 3.7 | 5.4 |
| DPS (sen) | 0.0 | 1.0 | 1.2 |
| P/E (x) | 19.8 | 16.5 | 11.4 |
| DY (%) | 0.0 | 1.6 | 2.0 |

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FY24f represents the forecasted figures for FY24.



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As of **Friday, 05 Apr, 2024**, the analyst(s), Chiang Fong Kai, whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.

Glossary

| | |
|------------------------------|--|
| Last Price (RM) | Last closing price |
| 5 Day Change (%) | Percent change in price over the last five days. The formula is: [(Last Trade - Closing Price Five Days Ago) / Closing Price Five Days Ago] x 100. |
| 1 Day Range Percentile (%) | Calculates the percentile value within the 1-day range |
| 5 Day Range Percentile (%) | Calculates the percentile value within the 5-day range |
| 52 Week Range Percentile (%) | Calculates the percentile value within the 52-week range |
| Volatility 30D | A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage. If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation. |
| EMA9, EMA20, EMA60 Trend | Position of the price away from the EMA20 level |
| Price vs. EMA20 (%) | Positive directional movement. |
| DMI DI+ | Negative directional movement. |
| DMI DI- | ADX is a moving average of the directional movement index. |
| ADX | If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up. |
| Price Skew | If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down. |
| RSI 14D | RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition. |
| RSI OB/OS | If RSI 14 days is greater or equal to 70, it will be stated Overbought. |
| | If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive. |
| | If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative. |
| | If the RSI 14 days is lower or equal to 30, it will be stated Oversold. |
| Price vs. Bollinger Band (%) | Position of the price compare to the Bollinger band in percentage |



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