Reach Ten Holdings Berhad (REACHTEN)

Reaching 10/10 Connectivity in Sarawak

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Tradingview

Reach Ten Holdings Berhad

Company profile

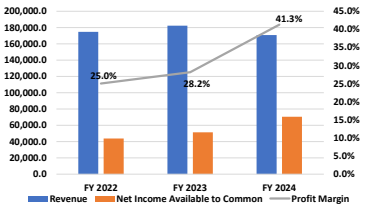
Reach Ten Holdings Berhad primarily involved in satellite-based broadband services, fibre optic communication networks, and telecommunications infrastructure as well managing services.

Technical Data

Price	0.585
R1	0.700
R2	0.710
S1	0.570
S2	0.560

M+ Research, Bloomberg

Financial Snapshot



M+ Research, Bloomberg

Technical Outlook

Price rebounded off support in 30-min chart after forming intraday high at RM0.605, indicating positive buying interest. Price is expected to test its next resistance zone at RM0.700-RM0.710, which is also near M+ fair value, while being supported above the intraday support zone of RM0.560-0.570, with a cut-loss level set at RM0.540.

Trading Catalysts

- **Starlink partnership to unlock Sarawak's rural broadband potential.** REACHTEN has been appointed as an authorised reseller of SpaceX's Starlink services, enabling it to deliver high-speed satellite broadband to remote Malaysian communities in Sarawak with limited broadband coverage.

- **Aggressive network expansion backed by IPO funds.** The group plans to allocate RM89.3m from its IPO proceeds to expand its 200km fibre-optic network beyond Kuching and Samarahan into Miri, Sibu, and Bintulu, targeting to construct an additional 100 telecommunications towers over the next 3 years.

- **Stronger earnings despite softer revenue.** Despite recording a revenue decline of 6.3% YoY, the group reported a higher PAT of RM19.2m or 37.5% YoY growth in FY24, increasing from RM51.3m to RM70.6m. This is mainly attributed to the group's cost saving strategy by migrating a portion of its bandwidth capacity to another satellite operator, which resulted in lower bandwidth cost.

Peer Comparison

Company	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend	M+ Scoring Quality	M+ Scoring Momentum	M+ Scoring Combined
REACHTEN	**0.585**	**585.0**	**-**	**10.8**	**86.8**	**41.3**	**Overbought**	**Down**	**N/A**	**N/A**	**N/A**
TM	6.860	26326.9	13.1	16.3	20.9	17.2	Positive bias	Up	A	A	A
OCK	0.400	420.4	12.9	10.5	4.7	5.1	Negative bias	Down	B	B	B
TIMECOM	5.180	9576.9	25.0	19.8	9.5	22.6	Positive bias	Up	B	B	A
Avg ex-REACHTEN		**12108.1**	**17.0**	**15.6**	**11.7**	**15.0**					

Source: Bloomberg, M+ Research

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(a) nil.