

## ROUTE MOBILE LIMITED (ROUTE)

Date: 31/05/2023

Reco. Price: 1340-1420 • Target: 1600-1650 • Stoploss: 1240

Time Frame: 3-6 months

### ROUTE-WEEKLY CHART



Chart as on 31st May 2023

### Technical Outlook

- The stock on a weekly scale has witnessed breakout of an inverted head and shoulder pattern as highlighted in the above chart. As per this pattern, the stock could test the levels of 1600-1650 in the medium term.
- The breakout is accompanied with an increase in volume confirming participation at breakout level.
- The 50-Weekly EMA is placed near 1351. Thus, any dips till 1350 can be used for accumulating the stock.
- The RSI on a weekly scale has witnessed breakout of cup and handle pattern, suggesting strength.
- Based on the above technical set up, **we recommend to accumulate Route Mobile Limited (ROUTE)** in the range of 1400-1420 and on dips around 1340-1360 with a stop loss of 1240 on a closing basis for the target of 1600-1650 for the short-term.

### Fundamental Rationale

- Route mobile continues to focus on key markets like India, GCC, LAT-AM and Africa. Management mentioned that the company has started reaping benefits from investments in the LAT-AM market. India continues to be the largest market for Route in terms of revenue from termination and accounts to 47% of total revenue.
- We believe company's clear growth strategy, deep customer focus and robust technology platform will deliver strong and sustainable performance as the company have also invested in Chile, Mexico, and Brazil which is key market growth for Route mobile within Latin which will go to benefit from FY23 onwards.
- Route Mobile has a diverse enterprise client base across a broad range of industries including social media companies, banks, financial institutions, e-commerce entities, travel aggregators and other client facing companies. Additionally, its MNO clients include over 25 operators across 4 continents.
- In the last five years FY18-FY23, RML operating revenues and profitability have grown by a CAGR of 48% and 47% respectively. Further, during the same period, the company's operating profit grew by a CAGR of 58%. Further company has managed to maintain its operating margin in the range of 10-14% during the same period. At the Current market price Stock is providing a good dividend yield of 0.63%. It currently trading at lower end PE multiple range. **Hence we recommend to "ACCUMULATE" the stock.**

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