

**Company Name** : Sasbadi Holdings Berhad  
**Date** : 19 January 2018  
**Source** : The Edge Markets

## **Sasbadi Rises 9.5% In Anticipation Of Stronger 2Q**

KUALA LUMPUR (Jan19): Shares in Sasbadi Holdings Bhd rose as much as 9.5% in this morning despite turning in a relatively flat first quarter results.

At 10.17 am, the counter was up 4.5 sen or 7.8% at 62.5 sen and saw 1.92 million shares traded, versus its 200-day average volume of 674,287 shares, valuing the company at RM261.94 million.

Yesterday, Sasbadi announced net profit for its first quarter ended Nov 30, 2017 (1QFY18) increased marginally to RM4.45 million, from RM4.34 million a year ago. Profit before tax (PBT) was relatively unchanged due to the lower revenue at RM29.48 million, compared with RM31.21 million previously, and offset by lower expenses incurred.

“1Q is a seasonally-weak quarter, and Q2 is seasonally the best quarter, we estimate that [with the] 1QFY18 retail sales up 6% year-on-year, [it is] an indication that the worst should be over for the retail division, which is its core business,” said CIMB research in a note today.

Revenue from the company’s multi-level marketing (MLM) business is also expected to “take off in a big way over the next few months”, the research house added, noting that Sasbadi now has 10,000 members and that the company is looking to undertake major campaigns and promotions these few months to help boost its membership size.

Sasbadi’s share price fell by around 30% in the past three months, after 4QFY17’s net loss and concerns of further weakness in retail sales.

CIMB research analyst Nigel Foo said coupled with brighter prospects for the retail sector, this offers investors an opportunity to accumulate the stock.