

**Company Name : SASBADI HOLDINGS BERHAD**  
**Date : 23 April 2018**  
**Source : The Edge Financial Weekly**

## Sasbadi Holdings Bhd

Target price: **70 sen BUY**



**ALLIANCEDBS RESEARCH (APRIL 18):** After a disappointing performance in FY17, we are optimistic that Sasbadi's earnings will rebound this year, following management's recent move to streamline costs and enhance its revenue growth. We believe that a selldown of the stock is unjustified and do see value in the company.

Our target price is higher than consensus as we believe that the market has yet to realise Sasbadi's medium-term growth prospects following its lacklustre FY17 financial figures. Management aims to embark on at least one earnings-accretive acquisition annually to strengthen its dominant position in the publishing industry and drive income growth.

Our revenue assumptions for its network marketing business are RM15 million/RM20 million for FY18/FY19, and a stronger-than-expected contribution would serve as a catalyst for the stock.

We maintain our "buy" but lower our target price from 95 sen following our decision to repeg it to a lower forward 2018 calendar year PER of 15 times.