

Company Name : Sasbadi Holdings Berhad
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Sasbadi Education Products Still Relevant, Says MD



Sasbadi Holdings Bhd managing director Law King Hui demonstrating the educational robotic products

PETALING JAYA: Workbooks and textbooks supplier Sasbadi Holdings Bhd is confident that its offerings will remain relevant despite the change in government.

Managing director Law King Hui said the business of education would still be relevant even with the new political landscape.

“Education is a birthright and is apolitical. I believe it will remain the top priority of the current government.

“Our company’s planning and strategies are all intact and on track to capitalise on the new government’s demand,” Law, who is also Sasbadi’s biggest shareholder, told StarBiz.

“As we have stressed in the past, our company is well positioned and able to provide a wide range of education solutions, be it in contents creation or technology development,” he said.

Sasbadi's shares have been battered prior to the 14th general election (GE14) but mostly held steady post-election.

Its shares, which were last traded at 36.5 sen, have probably hit a near-term bottom, observers and chartists said.

While its trailing price-to-earnings ratio (PER) was last traded at 19.53 times, its forward PER for the forecast financial year ending Aug 31, 2018 (FY18) is at an attractive 9.23 times.

The company attributed the fall in its share price prior to GE14 to the unexpected drop in revenue due to the then-government's change in policy with regard to the 1Malaysia Book Voucher.

Law said this change impacted the book industry as the RM250 voucher provided for buying books was substituted with cash in the form of a debit card.

"The industry's subsequent survey showed that only 3% of the fund was used for buying books. In addition, the fourth quarter of FY17 is seasonally our weakest quarter in terms of cashflow and revenue.

"Going forward, the book voucher impact has been discounted as the company has taken active measures to mitigate the loss of the related revenue through other offerings like the Chuck Chicken branded products, Marshall Cavendish items and newly developed early education products," he said.

The company is positive on its outlook for FY18. Law said FY19 is expected to be better for Sasbadi.

"FY19 will see our new revenue streams contributing more significantly. We are also optimistic with the overall market sentiment, going forward," he said.

The company has been diversifying its revenue stream into the non-academic segment a few years ago and is expecting this effort to bear fruit soon.

Law said Sasbadi had established a multi-level network marketing as a new channel to reach the home market.

“Currently, our company has a few thousand non-academic intellectual properties (IPs) and efforts are continuing to unleash the full potential of these IPs, both in the local and international markets, via product sales or licensing arrangements,” he said.

“We have also begun to tap into the local private and international school market by collaborating with global publishers like Marshall Cavendish. Besides books, we also distribute LEGO Education products,” Law added.