

Headline **OSK maintains HELP as buy, ups target price**
 Date **29 Sep 2009**
 MediaTitle **The Edge Financial Daily**
 Section **Home Business**
 Journalist **none**
 Frequency **Daily**
 Circ / Read **25,000 / 40,000**

Language **English**
 Page No **9**
 Article Size **160 cm²**
 Color **Full Color**
 ADValue **1,846**
 PRValue **5,538**



OSK maintains HELP as buy, ups target price

OSK Research has maintained a buy on HELP International Bhd at RM1.44 with a higher target price after its earnings for the nine months ended July 31 beat expectations.

"Given the better-than-expected results and higher student enrolment, we have upgraded our earnings forecasts for FY09 and FY10 by 13% and 17% respectively.

"HELP remains the country's most profitable listed education institution that can lay claim to having strong growth potential owing to its capacity expansion locally and abroad," OSK said in a note yesterday.

Following the upgrade in its earnings forecast, OSK raised HELP's target price to RM1.70 from RM1.55.

"Although HELP's nine-month results for the financial year ending Oct 31, 2009 accounted for around 73% of our full-year forecast, we deem the results as above expectation given that historically its nine-month earnings only make up less than 65% of full-year earnings due to seasonal factors," the

research house said.

OSK noted that HELP's results were lower quarter-on-quarter as there were fewer classes conducted for courses offered by institutions in the northern hemisphere due to the summer break.

"Ebit (earnings before interest and tax) margin for 3QFY09 contracted to 19.8% from 28.3% in 2QFY09 given that a big chunk of its cost comprises fixed costs such as staff cost.

"Nevertheless, revenue and net profit for 3QFY09 were higher year-on-year, which we believe was due to the higher number of locally developed courses offered by HELP," OSK said.

The research house went on to note that HELP's revenue rose 16.5% year-on-year (y-o-y) on a higher student enrolment, in tandem with an increase in the number of courses offered.

Net profit in turn surged 39.2% y-o-y as margins improved owing to the turnaround of newly-ac-

quired Help International College of Technology (HICT), which it acquired in late 2007.

In addition, Ebit margin improved from 17.7% for 9MFY08 to 20.6% for 9MFY09. HELP gained two sen to close at RM1.46 yesterday.

HELP Intl Corp Bhd

FYE Oct (RM m)	FY07	FY08	FY09F	FY10F
Turnover	61.7	86.5	106.1	111.4
Net profit	9.7	11.8	14.6	16.4
% chg y-o-y	20.0	22.1	23.4	12.5
Consensus net profit	-	-	n.a.	n.a.
EPS (sen)	10.9	13.3	16.4	18.5
DPS (sen)	3.0	3.0	3.4	3.4
Dividend yield (%)	2.1	2.3	2.3	2.3
ROE (%)	15.3	17.4	18.7	18.1
ROA (%)	9.7	10.4	10.9	10.5
PER (x)	13.2	10.8	8.8	7.8
P/BV (x)	2.0	1.8	1.5	1.3

Source: OSK Research