

Headline **HELP: Well balanced education**
Date **16 Jul 2010**
MediaTitle **The Edge Financial Daily**
Section **Home Business**
Journalist **N/A**
Frequency **Daily**
Circ / Read **25,000 / 40,000**

Language **English**
Page No **L-11**
Article Size **122 cm²**
Color **Black/white**
ADValue **938**
PRValue **2,815**



HELP: Well balanced education

HELP International Corp Bhd (July 15, RM3.50)

Maintain buy at RM3.40 with higher target price of RM4.30 (from RM3.58): Other than the recently announced joint venture in China, HELP has already established its presence in other overseas markets, such as Indonesia and Vietnam, largely through franchising and licensing of its courses. As part of its internationalisation plan, HELP will establish its presence in Australia, Cambodia and Thailand.

With the internalisation plan is well in place, we would not, be surprised if within a few years time its overseas business overtakes its local business in terms of revenue and earnings contribution to the group.

Started as a single-facility institute, HELP is progressively moving towards a multi-facility city university model with the establishment of several new facilities in different locations.

We believe, other than to overcome capacity constraints by boosting its student capacity, this will enable HELP to capture different

market segments and demographics based on location and diversify its student profile.

We are switching our valuation parameter from residual income model (RIM) to PER valuation as we have opted for a short-term view horizon in order to capture HELP's rapid growth strategy over the next few years.

RIM generally assumes steady growth potential despite the fact that HELP is still in the growth phase.

In order to reflect its strong and clean balance sheet we have added its net cash value per share together with the PER valuation to arrive at our target price.

Based on 14 times PER on FY2011 EPS, plus a net cash value per share of 68 sen, we arrived at a higher target price of RM4.30 from RM3.58 previously.

With the sizeable upside, we maintain our buy recommendation at a target price of RM4.30. We believe the potential corporate exercise involving the group could provide short-term upside catalyst for HELP while its growth prospects will sustain its long-term upside catalyst. — *OSK Research, July 15*