

MONEYMAX FINANCIAL SERVICES LIMITED (SGX:5WJ)

1H FY2025 Results Update (Ver. 3) | 17 September 2025

Rating: **BUY** (Reiterate)

Analyst : Jaimes Chao

Last Close: **S\$0.515** (26 Aug 25)

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Target Price: **S\$0.680**

Correction Notice

17 September 2025

This report (Version 3) supersedes and replaces all previous versions. It incorporates corrections to two key areas to ensure the accurate representation of MoneyMax Financial Services Ltd.'s financial metrics and dividend history.

1. Bonus Issue Adjustment: The initial report (26 August 2025) did not fully account for the Company's 1-for-1 bonus issue. All per-share metrics—including Earnings Per Share (EPS), Dividend Per Share (DPS), and the Target Price—have been adjusted to reflect the enlarged share base. The underlying intrinsic valuation and investment thesis remain unchanged.

2. Dividend History & Policy: The subsequent report (9 September 2025) contained inaccuracies in the historical dividend narrative. This version provides the correct classification and amounts:

- The dividend paid in May 2024 (1.0 cent per share) was the **final dividend for FY2023**.
- The dividend paid in May 2025 (1.4 cents per share) was the **final and only dividend for FY2024**.
- The Company reaffirms it does not have a standard practice of declaring interim dividends.

All related commentary, growth comparisons, yield calculations, and forward projections have been updated to reflect the correct baseline dividend figures. We reiterate our **BUY** recommendation with a 12-month **Target Price of S\$0.68** (post-bonus), supported by revised and consistent valuation metrics.

We sincerely apologize for these oversights and thank the management of MoneyMax Financial Services Ltd for their diligence in bringing these matters to our attention. This revised report represents our commitment to providing accurate and reliable analysis.

1H FY2025 Results – “Firing on All Cylinders”

Executive Summary

MoneyMax Financial Services Ltd (“MoneyMax”) delivered **record 1H FY2025 results**, underscoring robust momentum across its pawnbroking, retail gold, and luxury goods segments. **Net profit surged 76.4% YoY to S\$31.8 million in 1H2025**, on the back of a 31.2% revenue jump to S\$243.0 million. This stellar growth was fuelled by **higher gold prices** (gold hit all-time highs in 2025) and strong loan demand, driving a broad-based increase in both retail trading income and pawn service charges. **We maintain our BUY recommendation**, as MoneyMax’s fundamentals are firing on all cylinders – the company is scaling up rapidly in Singapore and Malaysia, and we expect earnings to nearly double in FY2025. We issue a revised **12-month Target Price of S\$0.68** (post-bonus), which offers **~32% upside** from the current post-bonus price of ~S\$0.515. This target is based on a blended valuation, and is **equivalent to ~S\$1.36 on a pre-bonus basis**, in line with our prior intrinsic valuation before share expansion. **All per-share metrics (EPS, DPS) in this report are now stated on a post-bonus basis.**

Investment Thesis: We see **MoneyMax as a unique growth-at-value opportunity** in Singapore’s financial services landscape. The Group’s FY2024 net profit surged 68.6% to S\$38.2 million, and FY2025 is on track for another year of explosive growth. Yet, the stock trades at **~5x–6x forward P/E**, a steep discount to both the market (~14x) and direct peers, despite **ROE now exceeding 20%**. Our target price of S\$0.68 implies a still-modest **~8x FY2025e P/E**, which we deem conservative given MoneyMax’s superior earnings trajectory and asset-backed business model. The company’s **defensive, cash-generative pawn business** and expanding retail gold franchise provide resilience even in economic downturns, while new growth engines (e.g. secured lending, digital pawnbroking, regional expansion) are starting to contribute. We believe **ongoing catalysts** -- including continued record results, a recent bonus share issue improving stock liquidity, and broader investor interest from Singapore’s market development initiatives – will drive a **valuation re-rating** in the next 6-12 months.

Valuation & Upside: Our S\$0.68 target (post-bonus) is derived from a blended approach, averaging **~8x forward earnings** and **~2.9x book value** multiples, cross-checked with a DCF analysis. At this target, MoneyMax’s implied market cap (~S\$600 million) values it at **~15x FY2025 net profit** - reasonable for a fast-growing market leader, in our view. Importantly, even after the share price’s strong year-to-date performance, MoneyMax still trades at a **6.1x trailing P/E and 2.2x P/B**, markedly below closest peers ValueMax and Maxi-Cash. We see **~35% total return potential** to our target price (including dividends), and note that **insiders continue to hold ~87% of the float**, aligning their interests with minority shareholders. Risks to our call include gold price volatility and credit quality, but we take comfort in MoneyMax’s prudent risk management and collateralized loan portfolio. Overall, **we reiterate our BUY rating** -- MoneyMax’s record earnings and shareholder-

friendly moves (e.g. bonus issue, **potential for higher dividends**) position it as an attractive, undervalued small-cap riding structural tailwinds.

Key Metrics (post-bonus, as of last close):

Item	Revised figure	Notes
Last close (post-bonus)	S\$0.515	As of 8 Sep 2025
Target Price (12M, post-bonus)	S\$0.680	(= ~S\$1.36 pre-bonus equivalent)
Price upside (stock only)	+32.0%	$(0.680 - 0.515) / 0.515$
Shares outstanding (post-bonus)	~884.5m	1-for-1 bonus; issued shares doubled from ~442.25m to ~884.50m
Market cap (post-bonus)	~S\$455.5m	$0.515 \times 884.5m$
Free float	~13%	Per Bloomberg
FY2025e EPS (post-bonus)	~8.48 cents	TFS forecast (NP ~S\$75m / 884.5m sh)
FY2025e P/E @ last close	~6.1x	$0.515 / 0.0848$
FY2025e P/E @ TP	~8.0x	$0.680 / 0.0848$
NAV/share (as at 30 Jun 2025)	~23.3 cents	Company NAV 46.59¢ pre-bonus → ~23.30¢ post-bonus
P/B @ last close	~2.21x	$0.515 / 0.233$
P/B @ TP	~2.92x	$0.680 / 0.233$
ROE (company, 1H-2025)	14.3%	Company-reported as at 30 Jun 2025
ROE (TFS est, FY2025e)	~27–29%	Based on NP ~S\$75m and avg equity trajectory
DPS – trailing (FY2024, post-bonus)	~0.70 cents	FY2024 1.4¢ pre-bonus = 0.70¢ post-bonus
DPS – forward (FY2025e, post-bonus)	~1.7 cents	Forecasts ~20% payout on S\$75m NP

Source: Company data, TFS Research estimates. Current share price is shown pre- and post-bonus for reference. Post-bonus shares outstanding approximately doubled from ~442M to ~884M due to the 1-for-1 bonus issue in Sept 2025.

Business Overview

MoneyMax is a leading integrated pawnbroking, luxury retail, and secured lending group in Southeast Asia. Founded in 2008 and listed on the SGX Catalist, the Group has revolutionized the traditional pawnbroking model by building a modern, trusted brand offering **collateral-backed financing** and a curated selection of **pre-owned luxury goods**.

MoneyMax operates a unique, hybrid business model that combines the defensive, cash-generative qualities of pawnbroking with the growth potential of luxury retail and secured lending. Through a

network of **over 100 modern, retail-style outlets** across Singapore and Malaysia (as of mid-2025), the Group provides essential financial services to underserved customers while catering to the growing demand for value luxury and sustainable consumption.



Above: A MoneyMax retail outlet in Singapore.

Core Business Segments:

- Pawnbroking & Secured Lending:** This segment provides short-term secured loans collateralized by gold, jewelry, luxury watches, and in Malaysia, even automobiles and property. Pawnbroking is inherently **counter-cyclical**, providing stable interest income (regulated at ~1-1.5% per month in Singapore) and profits from the resale of unredeemed collateral. The segment is a critical engine for customer acquisition and recurring revenue, generating S\$43.2 million in 1H 2025 (+7.2% YoY) and S\$94.3 million in FY2024 (+47% YoY), driven by a growing loan book and higher interest income.
- Retail & Trading of Gold and Luxury Items:** As the Group's largest revenue contributor, this segment involves the purchasing, refurbishing, and selling of pre-owned gold jewelry, bullion, diamonds, luxury watches, and designer handbags. MoneyMax is a major regional trader of second-hand gold, directly benefiting from elevated gold prices through higher resale margins. The segment delivered stellar performance with revenue of **S\$187.7 million in 1H 2025 (+43.2% YoY)**, fueled by record-high gold prices (~US\$3,400/oz in May 2025) and robust consumer demand. The Group leverages its "MoneyMax" and "M.Max" retail brands

and e-commerce platform to capitalize on structural shifts towards **value luxury** and **circular consumption**.

Geographically, **Singapore is the core market**, contributing S\$339M revenue in FY2024 (+33.5% YoY), while **Malaysia** contributed S\$51.1M (+60.8% YoY). The Group has been actively expanding in Malaysia, where pawn interest rates are higher and demand is growing rapidly. MoneyMax has pioneered innovations like **drive-through pawnshops** in Malaysia to cater to local customers' desire for convenience and discretion. MoneyMax highlights strong take-up of its drive-thru format; the Group positions itself as one of the largest drive-thru pawnshop operators in Malaysia. The company is also embracing digitalization – offering **online pawn loan renewals, cashless loan disbursements, and e-commerce platforms** – enhancing scalability and customer reach.

Corporate Structure: MoneyMax was founded by Dr. Lim Yong Guan (Executive Chairman and CEO) and is part of the Soo Kee Group's ventures. It remains closely held by insiders (~87% insider ownership), including the Lim family, reflecting confidence in the business. The company has grown both organically (opening new outlets, entering new towns in Malaysia) and via selective acquisitions (e.g. acquisition of pawnshop licenses/outlets from smaller players). In August 2025, MoneyMax announced a **1-for-1 bonus share issue** to reward shareholders and improve stock liquidity – effectively doubling its share count. This bonus issue (completed in Sept 2025) signals management's optimism in future growth and has increased the public float. MoneyMax's market capitalization (post-bonus) is approximately S\$455.5 million at current prices.

Looking ahead, MoneyMax aims to further entrench its position as **Southeast Asia's leading pawn and luxury retail chain**. The Group's strategy is to **expand its network of outlets** (especially in underserved Malaysian cities), deepen its online engagement (through its MoneyMax Online e-store and valuation portal), and explore adjacent business opportunities (e.g. higher-ticket secured lending, partnerships in new markets). With a **trusted brand** (over 14 years in operation) and a scalable, asset-backed model, MoneyMax is well-positioned to capture growth in the region's resilient pawn and gold trading industry.

Financial Highlights – Record FY2024 and 1H2025 Results

FY2024 was a banner year for MoneyMax, and that momentum carried into **1H FY2025**. Key highlights from recent financial results:

- **Strong FY2024 Growth:** Revenue for FY2024 surged **+36.5% to S\$390.1 million**, surpassing the S\$380M mark for the first time. This was driven by broad-based expansion – pawn revenue jumped 47% to S\$94.3M, while retail/trading revenue grew 36% to S\$266.6M. Group **profit after tax** was **S\$41.6M (+65.4% YoY)**, with **profit attributable to shareholders** of **S\$38.2M (+68.6% YoY)** after accounting for minority interests. Net profit margins improved to **~9.8%** in FY2024 (from ~7.9% in FY2023), reflecting operating leverage as revenue scaled. This record profit was achieved despite higher financing costs, thanks to strong revenue and margin uptick. Notably, ROE exceeded 21% for FY2024, up from ~13% in FY2022, as the company's equity base was efficiently utilized.

- 1H FY2025 – “Firing on All Cylinders”:** For the half-year ended June 30, 2025, MoneyMax posted **net profit of S\$31.8M**, a **+76.4% YoY** increase (1H2024: S\$18.0M). Profit before tax was S\$40.1M (+77.6%). **Revenue hit S\$243.0M**, rising **+31.2% YoY**, as *all major segments delivered growth*. The standout was the **retail & trading segment** at S\$187.7M (+43.2% YoY), buoyed by higher gold prices (which averaged significantly above 2024 levels) and increased trading volumes of luxury goods. The **pawnbroking segment** contributed S\$43.2M of revenue (+7.2% YoY), reflecting steady growth in the loan book and higher interest income; new outlet openings in both Singapore and Malaysia also added to revenue. Gross profit margins have expanded (helped by gold price-driven gains on sale of forfeited collateral), and operating expenses were well-managed, resulting in a sharp jump in operating profit. Management highlighted that these record results were achieved **organically**, demonstrating the resilience and scalability of MoneyMax’s model across differing market conditions.

- Dividend Policy & History:**

MoneyMax has demonstrated a consistent commitment to rewarding shareholders through a policy of distributing **final dividends**, reviewed annually upon the conclusion of full-year results.

- Track Record:** The Company has a established history of payouts. For **FY2023**, it declared a **final dividend of 1.0 cent per share** (pre-bonus), which was paid in May 2024.
- FY2024 Dividend:** For **FY2024**, the company declared a **final dividend of 1.4 cents per share** (pre-bonus), approved post-AGM and paid in May 2025. This brought the total **FY2024 payout to 1.4 cents per share (pre-bonus)**, or **~0.7 cents on a post-bonus basis**.
- Payout Ratio Analysis:** This historical pattern reveals a **dynamic, not fixed, payout strategy**. The absolute dividend increased by 40% YoY from FY2023 to FY2024. However, the payout ratio actually decreased from ~19.5% in FY2023 to ~16.2% in FY2024. This reflects a prudent capital allocation strategy where management chose to **retain a greater portion of record earnings** (Net Profit +68.6% YoY) to fund the rapid organic expansion of its high-return pawn loan book and inventory base.
- 1H FY2025:** Consistent with this stated policy, the Group **did not declare an interim dividend for 1H FY2025**, as reaffirmed in its results announcement.

Fiscal Year	Net Profit (Attributable to Shareholders)	EPS (pre-bonus)	DPS (pre-bonus)	Payout Ratio
FY2023	S\$22.67 M	~5.12 cents	1.0 cent	~19.5%
FY2024	S\$38.22 M	~8.64 cents	1.4 cents	~16.2%
FY2025e	S\$75.00 M	~8.48 cents (post-bonus)	~1.7 cents (post-bonus)	~20.0% (forecast)

Table: Historical and Forecast Dividend Per Share & Payout Ratio

Looking Ahead: Given MoneyMax’s explosive earnings trajectory (FY2025e Net Profit: ~S\$75 million) and strong capital position, we forecast the dividend payout ratio to **increase to approximately 20% for FY2025e, returning to a level consistent with the FY2023 payout ratio** and higher than the retained-earnings-heavy FY2024 ratio. This shift will reflect management's increased confidence in the sustainability of elevated earnings and the reduced need for intensive capital retention, allowing for a greater proportion of profits to be returned to shareholders. This implies a **forward DPS of ~1.7 cents (post-bonus)**, which would represent a significant increase in the absolute dividend and potentially enhance the stock's appeal to yield-seeking investors.

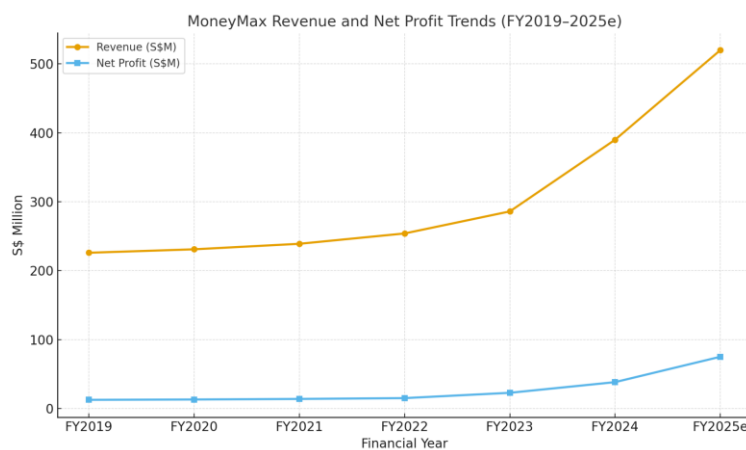


Chart: Revenue and Net Profit Trends (FY2019–2025e)

MoneyMax’s financial trajectory shows accelerating growth from FY2022 onward, with FY2024 revenue of S\$390M vs S\$254M in FY2022, and net profit of S\$38.2M vs ~S\$15M in FY2022. FY2025e is nearly doubling net profit again to ~\$75M, highlighting the exponential earnings momentum.

- Balance Sheet & Cash Flow:** As of 30 Jun 2025, MoneyMax reported **S\$1.0 billion in total assets**, mainly in **pledge loans and gold inventory**. **Cash stood at S\$17.6 million**, with **total borrowings at S\$681.6 million**, mostly short-term and secured. **Net gearing was ~2.97x**, typical for pawn lenders, and **interest coverage was 3.39x**, indicating manageable debt servicing. While the business generates strong earnings, **1H FY2025 saw negative operating cash flow** due to higher working capital -- largely from loan book and inventory expansion. Liquidity is supported by short pledge cycles and high inventory turnover. **Book value stood at ~S\$206 million**, with **post-bonus NAV/share at ~23.3 cents**

In summary, MoneyMax’s financial performance over the last 2-3 years has been nothing short of exceptional. The pandemic era (2020--2021) saw steady business, but the real inflection came in 2022--2023 as gold prices climbed and the Group’s Malaysia expansion kicked in. By FY2024, MoneyMax achieved **record highs in revenue and profit**, and 1H2025 results confirm that *growth is accelerating*. The company’s ability to grow profit ~70%+ on a 30% revenue rise in 1H2025 also indicates **improving margins** (net margin ~13.1% in 1H2025 vs 9.8% in FY2024) as it benefits from scale and operating leverage. We have accordingly revised our forecasts upward.

Outlook: Upgraded FY2025–26 Forecasts

Management Guidance: MoneyMax’s management remains optimistic for 2H2025 and beyond, citing sustained demand and internal efficiencies. In the 1H results commentary, CEO Dr. Lim Yong Guan highlighted a focus on “innovation, sustainable growth, and strengthening services across Singapore and Malaysia”. The Group is pursuing **organic expansion** (new outlets and services) and potentially **strategic acquisitions** to maintain growth momentum. Crucially, management noted that expected **interest rate declines** in 2025–26 will *benefit* MoneyMax by lowering borrowing costs and likely boosting demand for its secured loans. We concur – a gentle downtrend in rates could ease interest expense (which rose in 2024), providing an earnings tailwind in 2025–26.

TFS Revised Forecasts: We incorporate the much stronger-than-anticipated 1H2025 results into our projections. Our updated **FY2025 estimates** are as follows: **Revenue ~S\$520M** (+33% YoY) and **Net Profit ~S\$75M** (+96% YoY), up significantly from our prior forecast. These imply a net margin of **~14.4%** for FY25 (versus 9.8% in FY24), reflecting the high operating leverage in MoneyMax’s model.

For **FY2026**, we expect MoneyMax’s growth trajectory to remain strong, supported by elevated gold prices and continued demand for pre-owned luxury items. We project **revenue to rise ~13% to ~S\$590 million**, and **net profit to grow ~+15% YoY to ~S\$86 million**. This forecast assumes an **average gold price of US\$3,800/oz in 2026**, rising further from ~US\$3,400 in 2025 — a key tailwind for retail gold margins, pledge valuations, and overall trading activity. Even on this high base, MoneyMax would deliver a **2-year EPS CAGR of ~52% over FY2024–26**, underscoring its exceptional earnings momentum.

Following the 1-for-1 bonus issue, our **per-share estimates** for the enlarged share base (~884M shares) are:

- **For FY2025e:**
 - **EPS: ~8.48 cents** (based on PATMI of S\$75M)
 - **DPS: ~1.7 cents** (assuming a ~20% payout ratio)
- **For FY2026e:**
 - **EPS: ~9.7 cents**
 - **DPS: ~2.0 cents** (assuming a sustained ~20% payout ratio)

These forecasts are supported by a **bullish gold price outlook**, continued strength in luxury resale demand, and MoneyMax’s ongoing expansion in Malaysia. Our projections assume **no further equity issuance**, and include operational scale-up from **5–8 new outlets by end-FY2026**, mostly in Malaysia. We model **10–15% annual growth in pledge loan balances**, while **retail gold transaction volumes are expected to stabilize** after a high-velocity FY2025. Even so, **elevated gold prices and strong margin tailwinds** continue to support top-line and profit growth.

These assumptions underpin our forward estimates and valuation framework detailed in the next section.

Investment Thesis

We outline below the key reasons why we believe MoneyMax is a **compelling BUY** at current levels, balancing its strong growth prospects against risks. Our investment thesis rests on four pillars:

1. Explosive Earnings Momentum with Structural Tailwinds

MoneyMax is delivering sector-leading earnings growth, supported by a confluence of structural drivers. FY2024 net profit surged **+68.6% YoY to S\$38.2 million**, and FY2025 is on track to nearly double again to **~S\$75 million (+96% YoY)**. This outpaces most regional financial peers and reflects powerful tailwinds: record-high gold prices (peaking around **US\$3,400/oz** in May 2025), a growing outlet footprint (100+ stores across SG & MY), and resilient demand for pawn loans and pre-owned luxury goods. Post-pandemic consumer preferences have shifted toward value-oriented luxury and sustainable resale, which aligns perfectly with MoneyMax's positioning. Furthermore, innovations like **drive-thru pawn services in Malaysia** and **premium gold retail products** reinforce its differentiated model. The Group is also expanding into property-backed loans and has hinted at exploring broader ASEAN markets in the medium term. With EPS expected to grow at a **~52% CAGR over FY2024–26**, MoneyMax sits at the intersection of structural demand and scalable infrastructure.

2. Undervalued vs Peers and History

Despite stellar growth and a robust ROE profile, MoneyMax remains deeply undervalued. At the time of writing, it trades at only **~6.1× FY2025e P/E** and **~2.21× P/B** (post-bonus NAV ~23.3¢), well below peers and sector averages. For comparison:

- **ValueMax** trades at **~9× P/E** and **~1.2× P/B**
- **Maxi-Cash** trades at **~7× P/E** but with lower EPS growth**
MoneyMax's FY2024 ROE was **~21%**, expected to rise to **~28–30% in FY2025**, yet it trades at a P/B multiple similar to or below peers with weaker ROEs. Even after a significant share price increase over the past year, trailing P/E remains low due to even faster earnings growth. Its **PEG ratio remains well below 0.5×**, underscoring valuation mispricing and upside potential if it re-rates to a more reasonable 8–10× P/E.

3. Defensive Business Model with Cash Generation and Asset-Backed Security

MoneyMax's business model is **resilient and defensive**, designed to weather economic uncertainty. Pawnbroking is inherently **counter-cyclical**, with high-margin, short-tenor loans secured by high-value collateral (gold, luxury items). The **loan-to-value ratio of ~60–70%** provides a buffer; unredeemed pledges can be resold or melted, often at a profit due to elevated gold prices. In 1H2025, pawn loan receivables and gold inventory grew, reinforcing this secured, cash-generative base. Meanwhile, the retail arm benefits from value-seeking consumers, especially in weaker economies. **Interest coverage in 1H2025 stood at ~3.39×**, and as rates ease, margins on the loan book are expected to improve. Together, these dynamics enable consistent **operating cash flow**, support **dividend payouts**, and provide downside protection while maintaining upside optionality.

4. Shareholder-Friendly Moves and Upcoming Catalysts

Management has demonstrated a commitment to shareholders through consistent dividends and the **1-for-1 bonus share issue** completed in September 2025, which improved stock liquidity and broadened the investor base.

Key upcoming catalysts include:

- **Strong 2H2025 results** confirming >90% YoY earnings growth
- **Potential index inclusion** (e.g., FTSE ST) or **SGX Mainboard upgrade**
- **Government initiatives** (e.g., S\$5B market development fund) targeting high-growth small-caps
- **Increased research visibility** under the **GEMS program**
With **~87% insider ownership**, corporate actions like strategic M&A or eventual privatization cannot be ruled out if the valuation disconnect persists. These multiple layers of catalysts provide a compelling near- and mid-term re-rating story.

These factors underpin our bullish view. MoneyMax presents an attractive case of **“growth at a reasonable price”** – rare in the context of Singapore’s equity market. We next discuss our valuation in detail, benchmarking it against peers and intrinsic value.

Valuation & Peer Comparison

We employ a **blended valuation** approach, combining **relative multiples** and a **Discounted Cash Flow (DCF)** analysis to triangulate a fair value for MoneyMax. Our methods and assumptions:

- **Peer Comparison – Undervalued Despite Outperformance**

MoneyMax remains **undervalued** relative to its local peers despite delivering **higher growth, stronger returns, and superior fundamentals**. A comparison with ValueMax and Maxi-Cash (Aspial Lifestyle) reveals a notable valuation gap:

Peer Metrics (as of September 2025):

Metric	MoneyMax	ValueMax (T6I.SI)	Maxi-Cash (5UF.SI)
Share Price	S\$0.515	S\$0.975	S\$0.210
Market Cap	~S\$455M	S\$913.2M	S\$389.8M
P/E (TTM or fwd)	~6.1x	9.75x	7.00x

Metric	MoneyMax	ValueMax (T6I.SI)	Maxi-Cash (5UF.SI)
P/B (approx.)	~2.21x	~1.2x	~1.1x
ROE (FY2025e est.)	~28–30%	~18–20%	~10%
EPS CAGR (2024–26e)	~52%	~15–20%	~8–10%
PEG Ratio	~ 0.12x	~0.56x	~0.78x
PEGY Ratio	~ 0.11x	~0.45x	~0.48x

Despite a **higher ROE** and **2-year EPS CAGR >50%**, MoneyMax trades at just **~6.1x forward P/E**, significantly below ValueMax (9.75x) and Maxi-Cash (7.0x). Similarly, its **P/B of ~2.21x** reflects strong retained earnings and NAV growth, but remains justified by its 30%+ ROE.

Target Valuation

We assign a **conservative 8x forward P/E multiple** to MoneyMax's FY2025e **EPS of ~8.48 cents (post-bonus)**, which yields a **target price of S\$0.68 per share**. This still sits below peer averages but reflects a balance between:

- Its strong earnings momentum,
- Higher leverage,
- And its relatively lower free float (~13%).

At our target, the stock would trade at:

- **8.0x FY2025e P/E**,
- **~2.92x forward P/B** (NAV ~23.3¢),
- And a **P/E-to-ROE ratio of ~0.28x**, meaning investors pay only 28 cents for each 1% of ROE — a bargain in the financial sector context.

- **DCF Analysis**

We model MoneyMax's cash flows over a 5-year explicit period with a terminal growth rate of 2%. Key assumptions include: **Cost of Equity ~11%** (factoring small-cap risk and higher leverage) and **WACC ~8.5%** (MoneyMax's debt is secured and relatively low-cost). We

project that after FY2026e (net profit ~S\$86M), growth normalizes to ~5–6% for a few years before tapering. The DCF suggests an **equity value in the S\$580–620M range**, centered around S\$600M. On a post-bonus per-share basis, that equates to **~S\$0.68–0.70**. The DCF thus aligns with our multiples-based valuation, indicating that our target price appropriately balances high near-term growth with a prudent long-term outlook (we assume eventual moderation of gold prices and competitive pressures in our terminal value).

- **Asset-Backing and Intangibles**

MoneyMax's pawn pledge assets (gold, jewelry) and inventory provide a form of **asset-backing for valuation**. The net tangible assets are about S\$200M, or **~S\$0.23 per share post-bonus**. Our target price of S\$0.68 implies a **3.0× P/NTA**, reflecting the value of the franchise and growth prospects beyond the balance sheet. Given MoneyMax's high ROE, a P/NTA above 1.0× is clearly warranted (the stock's current P/NTA is ~2.24×). We also consider intangible factors: MoneyMax's **brand** (trusted pawnbroker with awards like "Singapore's Best Employers 2025") and **market position** likely command a premium that pure book value misses.

After weighing these approaches, we arrive at a **12-month Target Price of S\$0.68** (post-bonus basis). This is effectively half of our prior S\$1.36 target (pre-bonus), with no change in underlying valuation — the halving simply reflects the doubled share count. Our target implies **~32% upside** from the current price of ~S\$0.515 (post-bonus). It also implies **~8× FY2025e P/E** and **~2.92× FY2025e P/B**, which we view as achievable as the market recognizes MoneyMax's growth and quality.

In a **bull-case scenario** where FY2026 net profit reaches **S\$90M** (up ~20% YoY from FY2025), EPS would rise to **~10.2 cents**, and applying a **10× P/E** would justify a valuation of **~S\$1.02 per share** (post-bonus). This represents nearly **100% upside** from the current share price and illustrates the upside potential if gold prices remain elevated and growth momentum persists.

Conversely, even if earnings in FY2026 **plateau at S\$75M** — in line with the current FY2025 base case — the company would still deliver **EPS of ~8.48 cents**, and a **floor valuation of ~S\$0.51–0.55** could be supported by applying a **P/E multiple of 6–6.5×**. This implies that downside risk is largely cushioned by strong recurring earnings, asset backing (NAV ~23.3¢), and the defensive nature of the pawnbroking model.

Overall, the **risk-reward skew remains highly favourable**, with **limited downside risk** and compelling re-rating potential if the Group sustains its earnings trajectory and engages broader investor interest.

Catalysts & Risks

Catalysts that could drive the stock higher in the next 6–12 months include:

- **Continued Earnings Outperformance:** We expect **2H2025 results** (due Feb 2026) to show strong YoY growth, confirming that FY2025 profit nearly doubled. Such results could prompt earnings upgrades by the market and draw new investors. Each quarterly/half-year earnings release has been a catalyst for MoneyMax's stock this past year, and we anticipate this pattern to continue given positive fundamentals.

- **Dividends and Shareholder Rewards:** With profits surging, MoneyMax has room to **increase dividends**. Management has demonstrated a shareholder-friendly approach through the recent bonus issue. A materially higher final dividend for FY2025 (to be declared in Feb 2026) would be a positive surprise. Additionally, the **1-for-1 bonus issue** completed in September 2025 improves trading liquidity and may enhance **index eligibility** (e.g., for FTSE ST Small Cap index), potentially attracting broader investor participation.
- **Investor Engagement & Coverage:** MoneyMax's inclusion in SGX's research coverage schemes (like GEMS) means more investor outreach. The company was featured in SGX's "10 in 10" series in June 2025 and has been actively sharing its story. We believe **increased analyst coverage** and upcoming investor events could catalyze interest. There is also speculation that as part of the government's S\$5B market development program, institutional funds may take positions in high-growth small caps – MoneyMax could be a prime candidate given its fundamentals.
- **Macro Tailwinds:** Any further **rise in gold prices** (due to global economic uncertainty or inflation) would directly boost MoneyMax's outlook and likely its share price (as a quasi-gold proxy). Similarly, if **interest rates decline** in 2025–26, MoneyMax's earnings could beat expectations (lower interest expense, higher loan demand), acting as a catalyst for the stock.
- **Corporate Actions:** Although not explicitly guided, we note MoneyMax's larger competitors in the region are mostly private or part of conglomerates. MoneyMax's strong performance could make it an **acquisition target** for a larger financial entity looking to enter the pawn/luxury retail space, or it could pursue acquisitions itself to consolidate market share. While we do not base our thesis on M&A, any such development would be a catalyst.

Key Risks to our thesis include:

- **Gold Price Volatility:** A sharp **decline in gold prices** is a primary risk. MoneyMax's collateral values and retail margins are tied to gold. If gold were to pull back significantly (e.g., a >20% drop toward US\$2,500/oz), it could compress margins. However, the **conservative loan-to-value ratios** (typically 60–70%) provide a buffer. A gold price drop would mainly affect future earnings potential rather than causing immediate financial distress. We also take comfort that gold currently remains elevated near US\$3,000+/oz and is supported by structural demand (central bank buying, etc.).
- **Credit and Pledge Risk:** While pawn loans are collateralized, there is a risk that in an economic downturn, more customers default and collateral sale proceeds could be insufficient. MoneyMax also has a **small secured lending portfolio** (cars, property). Mitigant: This segment constitutes a small portion of earnings (~S\$3–5M PBT), and loans are asset-backed. Historically, credit losses in pawnbroking have been minimal due to collateral holding and short loan duration.
- **Regulatory/Policy Risk:** Both Singapore and Malaysia regulate pawnbroking (interest rate caps, licensing). Any tightening of regulations could impact profitability. However, the industry is well-established, and drastic changes are unlikely. MoneyMax's **diversification across two countries** provides some hedging against local regulatory shifts.
- **Competition:** The pawn and gold retail space is competitive, with **ValueMax and Maxi-Cash** being key rivals. Increased competition could pressure margins. However,

MoneyMax's **digital initiatives** (online pawning, e-store) and expanding footprint provide a competitive edge.

- **Liquidity and Ownership Structure:** With **~87% of shares held by insiders**, the public float is limited. This can lead to **illiquidity and volatility**. The bonus issue improves liquidity but does not change the ownership structure. Investors should be aware of potential larger bid-ask spreads and price sensitivity to news.

In our view, the **upside potential outweighs these risks**. MoneyMax's risk profile is tempered by its **asset-backed lending** and strong balance sheet management. Our valuation incorporates a margin of safety, and we remain confident in MoneyMax's ability to navigate these risks given its operational model and management experience.

Dividend & Balance Sheet Commentary

MoneyMax appeals to investors by delivering both growth and **consistent shareholder returns**. The company has paid dividends annually since listing, underscoring its profitability and cash-generative nature:

- **Dividend Track Record:** MoneyMax has maintained a disciplined dividend policy. For **FY2023**, it paid a **final dividend of 1.0 cent per share** (pre-bonus). For **FY2024**, it paid a **final dividend of 1.4 cents per share** (pre-bonus). The payout ratio for FY2024 was **~16.2%**, which is conservative and leaves ample room for future increases.
- **FY2025 Dividend Outlook:** Given our forecast of **~S\$75M net profit** in FY2025, we anticipate a higher absolute dividend. Assuming a **~20% payout ratio**, the total distribution would be **~S\$15M**, resulting in a **DPS of ~1.7 cents (post-bonus)**. This would represent a significant increase from FY2024 and could support a **dividend yield of ~3.3%** at the current share price, enhancing appeal to income investors.
- **Balance Sheet & Gearing:** MoneyMax operates with **elevated leverage** due to its business model, which requires financing for pawn loans and inventory. As of 1H2025, **net gearing stood at ~2.97x**. However, this debt is primarily **short-term and secured**, used to fund high-return pawn loans (lending at **~18% p.a.** against borrowing costs of **~3–5%**). The company maintains **strong interest coverage** (**~3.39x** in 1H2025), and a potential decline in interest rates could further improve margins. The balance sheet is supported by **liquid assets** (gold and pawn receivables), which can be quickly monetized if needed.
- **Financial Discipline:** Management has expressed comfort with current gearing levels and has no immediate plans for equity issuance. The **equity base is growing** through retained earnings, which should naturally reduce leverage over time. The recent bonus issue was executed to **improve liquidity** and reward shareholders, not to raise capital.

In conclusion, MoneyMax's financial position is **robust**. It balances reinvestment for growth with returning cash to shareholders. The bonus issue enhances liquidity without altering fundamental value, and we expect continued dividend growth supported by strong earnings momentum.

ESG and Strategic Considerations

While ESG (Environmental, Social, Governance) factors are not the primary focus for a pawn and retail business, MoneyMax does have some positive attributes worth noting:

- **Social Impact & Governance:** MoneyMax contributes a social service in providing accessible micro-credit to individuals who might be underserved by banks. By offering pawn loans, it acts as a **lender of last resort** for many low-income customers, potentially preventing predatory lending alternatives. The company adheres to regulated interest caps and has robust processes to ensure fair value is given for pawned items, which indicates a responsible approach to its customers. On governance, MoneyMax is family-influenced (the CEO and related parties hold a majority stake), which can be a double-edged sword. However, thus far governance appears shareholder-friendly – the board has independent directors, and the controlling shareholders' interests are aligned with minority investors through their large ownership (they benefit from dividends and share price appreciation alongside everyone else). Tickrs' analysis has not identified any governance red flags; the company has been transparent in its financial reporting and in engaging with the SGX on compliance.
- **Sustainability & Environmental:** MoneyMax's core business of recycling luxury goods and jewellery actually has a **sustainability angle** – by reselling pre-owned gold and luxury items, it promotes reuse and reduces waste. Gold and metal recycling are environmentally beneficial compared to mining new metals. The company also likely has procedures for responsible sourcing (though this is more applicable to jewelry retailers; in MoneyMax's case, most inventory is sourced from customers/pawn forfeitures, so conflict minerals risk is minimal). Their *Sustainability Report* highlights initiatives like energy-efficient store operations and community outreach programs. While these are modest in impact, they show MoneyMax is aware of its environmental footprint and social responsibility.
- **Human Capital:** In 2025, MoneyMax was **recognized as one of Singapore's Best Employers** by The Straits Times. This is a notable accolade reflecting positive employee satisfaction and workplace culture. Low staff turnover and skilled appraisal officers are crucial in the pawn business; MoneyMax's ability to attract and retain talent (through incentives and training) gives it an edge in customer service and operational know-how. The award also suggests good HR practices – an aspect of the "Social" pillar of ESG.

MoneyMax presents no ESG red flags; in fact, it contributes positively through financial inclusion and the recycling economy. Governance appears well-aligned with shareholders, and its awards and social initiatives enhance long-term credibility. While not an immediate performance driver, these factors help de-risk the stock and may appeal to ESG-focused investors over time.

Recommendation & Conclusion

We **reiterate our BUY recommendation** on MoneyMax Financial Services (SGX:5WJ) with a 12-month **target price of S\$0.68** (post-bonus basis). This target, equivalent to ~S\$1.36 before the recent bonus issue, implies a robust upside of about **+32%** from the current market price. Our conviction in MoneyMax is underpinned by its exceptional financial performance, undervaluation relative to peers, and the multiple catalysts on the horizon.

MoneyMax presents a rare combination of **high growth, value, and defensive qualities**. The Group has transformed from a niche pawnbroker into a dynamic regional financial services provider riding the wave of record gold prices and changing consumer behaviour. Yet, the market continues to value it more like a no-growth, ex-growth business. We see this as a mispricing. With each passing quarter of strong results, we expect investor confidence to build, leading to a re-rating of the stock. The recent bonus issue and increased investor outreach are laying the groundwork for broader recognition of MoneyMax's story.

In our view, MoneyMax is **firing on all cylinders** – its pawn business is expanding, its retail segment is booming, and its strategic initiatives are bearing fruit. The company's **resilient model and prudent management** limit downside risks, while the upside potential from growth and valuation normalization is significant. For investors seeking exposure to a **cash-generative, high-ROE business** in the consumer finance space, MoneyMax offers an attractive proposition. We expect the stock to gain further traction as it delivers on earnings and as market interest in quality small-caps improves (aided by Singapore's market development efforts).

In conclusion, MoneyMax's re-rating is *in progress but far from done*. The stock's substantial rally over the past year has been justified by fundamentals, and we believe more is to come. At our target price of S\$0.68, the valuation would still be reasonable, leaving room for long-term investors to potentially enjoy continued gains even beyond our 12-month horizon. **MoneyMax is a gem in the rough of the Singapore market – we recommend accumulating the stock for its compelling growth story and value upside.**

Appendix

Company Financials *(Source: moneymax.com.sg)*

Condensed Interim Consolidated Statement Of Profit Or Loss And Other Comprehensive Income

	Notes	Group		
		1H-2025 ⁽¹⁾ S\$'000	1H-2024 ⁽²⁾ S\$'000	Change %
Revenue	6	242,962	185,169	31.2
Other income and gains	8	600	734	(18.3)
Material costs		(151,194)	(117,894)	28.2
Employee benefits expenses		(20,157)	(16,751)	20.3
Depreciation and amortisation expenses	9	(6,424)	(6,056)	6.1
Other losses	8	(836)	(718)	16.4
Finance costs		(16,815)	(14,584)	15.3
Other expenses		(8,019)	(7,312)	9.7
Profit before income tax		40,117	22,588	77.6
Income tax expense	10	(8,286)	(4,543)	82.4
Profit for the period		31,831	18,045	76.4
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		(1,028)	46	NM ⁽³⁾
Cash flow hedges, net of tax		(246)	(154)	59.7
Other comprehensive income for the period, net of tax		(1,274)	(108)	NM⁽³⁾
Total comprehensive income		30,557	17,937	70.4
Profit for the period attributable to:				
Owners of the parent		29,643	16,576	78.8
Non-controlling interests		2,188	1,469	48.9
		31,831	18,045	76.4
Total comprehensive income attributable to:				
Owners of the parent		28,369	16,468	72.3
Non-controlling Interests		2,188	1,469	48.9
		30,557	17,937	70.4
Earnings per share:				
Basic and diluted (cents)		6.70	3.75	78.7

Notes:

- (1) "1H-2025" refers to the six-month financial period ended 30 June 2025.
- (2) "1H-2024" refers to the six-month financial period ended 30 June 2024.
- (3) "NM" denotes not meaningful.

Readers who wish to review the explanatory Notes corresponding to the numerical annotations in the financial statements may access MoneyMax's complete financial reports on its Investor Relations website (<https://moneymax.com.sg/investor-relations/>).

Condensed Interim Statements Of Financial Position

	Notes	Group		Company	
		30 June 2025 S\$'000	31 December 2024 S\$'000	30 June 2025 S\$'000	31 December 2024 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	21,708	22,542	-	-
Right-of-use assets		15,470	16,110	-	-
Intangible assets	12	5,315	5,392	-	-
Investments in subsidiaries		-	-	138,755	138,755
Deferred tax assets		173	129	-	-
Other financial assets, non-current	13	6,254	6,259	5,876	5,879
Trade and other receivables, non-current		154,162	158,748	-	-
Other assets, non-current		3,393	3,506	-	-
Total non-current assets		206,475	212,686	144,631	144,634
Current assets					
Inventories		94,532	84,677	-	-
Derivative financial instruments, current		-	30	-	-
Trade and other receivables, current		672,422	594,741	46,345	17,462
Other assets, current		7,642	7,601	114	159
Cash and cash equivalents		18,944	25,327	895	541
Total current assets		793,540	712,376	47,354	18,162
Total assets		1,000,015	925,062	191,985	162,796
EQUITY AND LIABILITIES					
Equity					
Share capital	14	56,144	56,144	56,144	56,144
Retained earnings		150,670	127,219	12,345	16,241
Other reserves		(783)	491	-	-
Equity attributable to owners of the parent		206,031	183,854	68,489	72,385
Non-controlling interests		17,204	15,469	-	-
Total equity		223,235	199,323	68,489	72,385
Non-current liabilities					
Other payables, non-current		8,000	-	8,000	-
Other financial liabilities, non-current	15	94,589	102,224	322	639
Lease liabilities, non-current		4,418	6,511	-	-
Derivative financial instruments, non-current		303	37	-	-
Deferred tax liabilities		151	160	-	-
Total non-current liabilities		107,461	108,932	8,322	639
Current liabilities					
Income tax payable		9,903	6,927	-	-
Trade and other payables		56,516	67,354	21,635	26,863
Other financial liabilities, current	15	587,048	528,708	93,539	62,909
Lease liabilities, current		11,746	10,326	-	-
Other liabilities		4,106	3,492	-	-
Total current liabilities		669,319	616,807	115,174	89,772
Total liabilities		776,780	725,739	123,496	90,411
Total equity and liabilities		1,000,015	925,062	191,985	162,796

Analyst Certification and Disclaimer

Analyst Certification: I, Jaimes Chao, hereby certify that the views expressed in this report accurately reflect my personal opinions about MoneyMax Financial Services Ltd and its securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.

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