

## VALUEMAX GROUP LTD (SGX: T6I)

**FY2025 Results Update | 26 February 2026**

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**Rating: BUY**

**Last Close: S\$1.240**

**Target Price: S\$1.550**

### **Golden Century: The S\$100 Million Milestone**

*Record earnings, strengthened dividends, and gold above US\$5,000 — ValueMax crosses a landmark profit threshold as its integrated pawn-and-gold model fires on all cylinders.*

### **Executive Summary**

ValueMax Group delivered a landmark FY2025, with profit after tax surpassing the S\$100 million mark for the first time in its history. Revenue rose 21.3% YoY to S\$553.1 million, driven by broad-based momentum across pawnbroking, retail and trading of jewellery and gold, and moneylending. PATMI reached S\$102.1 million (+23.2% YoY), or S\$113.1 million excluding the prior-year S\$10.1 million one-off gain from the Well Chip Group dilution — implying underlying profit growth of approximately 40.4%. Management declared a total FY2025 dividend of 3.88 cents per share (+44.8% YoY), comprising a first-ever interim dividend of 1.20 cents and a proposed final dividend of 2.68 cents, signalling continued confidence in the Group's earnings trajectory.

The stock has rallied approximately 167% over the past twelve months, yet at S\$1.24, it trades at only 11.1× FY2025A earnings and 1.9× book value for a business delivering approximately 18% ROE and approximately 3.1% dividend yield. We raise our target price to S\$1.55 (from S\$1.05), reflecting the step-change in profitability, structural gold tailwinds, and a narrowing valuation discount to peers. Our TP is derived from a blended methodology: approximately 13× FY2025A P/E, cross-checked with a 12× FY2026E P/E and a DCF analysis yielding S\$1.40/share. At our TP, ValueMax would trade at approximately 13.9× trailing earnings, in line with the peer average of approximately 11–14× TTM P/E. We maintain our **BUY** rating.

**Revision to prior estimates:** We note that our 1H FY2025 report (dated 22 September 2025) projected FY2025 total dividends of approximately 3.9 cents. The actual total of 3.88 cents — comprising the first-ever interim dividend of 1.20 cents and a proposed final of 2.68 cents (matching FY2024's full-year payout in a single final declaration) — is broadly in line with our forecast and represents a 44.8% increase over FY2024. The Board's payout ratio of approximately 34.8% (basic EPS basis) sits within its target range of 30–50%, confirming management's commitment to returning value to shareholders as earnings compound.

## Post-Results Development: Vendor Share Sale

On 25 February 2026, ValueMax announced that Executive Chairman Yeah Hiang Nam and his spouse Mdm. Tan Hong Yee had completed a vendor share sale of 34.8 million ordinary shares at S\$1.16 per share (a 6.5% discount to the S\$1.24 closing price) via a block trade arranged by OCBC. The transaction attracted strong participation from long-only institutional investors, with four named participants: **abrtn Asia Limited, Amova Asset Management Asia Limited, Avanda Investment Management Pte. Ltd., and ICH Synergrowth Fund.**

We view this development as unambiguously positive for the investment case, for several reasons:

**Free float expansion.** The sale increases the estimated public free float from approximately 110 million shares (~11.7% of issued capital) to approximately 145 million shares (~15.4%), a 32% increase. This directly addresses what was previously one of the stock's most significant structural weaknesses — the thin free float that deterred institutional participation and contributed to wider bid-ask spreads.

**Institutional register quality.** The named participants are long-only institutional funds, not short-term traders. The introduction of abrtn Asia — one of the region's largest asset managers — onto the register represents a meaningful validation of ValueMax's investment credentials. This is the type of shareholder base transformation that typically precedes sustained re-rating.

**Index eligibility.** The announcement explicitly states that the transaction supports ValueMax in meeting the eligibility criteria for inclusion in indexes such as the **iEdge Singapore Next 50 Index**. Index inclusion would trigger passive fund flows and further improve liquidity — a self-reinforcing cycle.

**Vendor commitment.** The Vendors have provided a 90-day moratorium on further share sales, signalling continued confidence in the Group's outlook. Post-transaction, the Yeah family retains 81.53% ownership (direct and deemed), ensuring full alignment between controlling shareholders and minority investors.

**Non-dilutive.** The sale comprises existing shares; no new shares were issued and there is no dilution to existing shareholders.

The block trade effectively converts one of the stock's key risks (low free float) into a catalyst (institutional ownership, index eligibility, improved liquidity). We have updated the free float, ownership percentages, and risk commentary throughout this report to reflect the transaction.

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### Key Metrics

*As at 26 Feb 2026; balance sheet as at 31 Dec 2025*

Metric	Value	Note
Share Price	S\$1.240	25 Feb 2026 (last close)
Market Capitalisation	~S\$1,166 million	Based on 940.1M shares outstanding

Metric	Value	Note
52-Week Range	S\$0.465 – S\$1.300	52-week high on 24 Feb 2026
Shares Outstanding	940.1 million	As at 31 Dec 2025 (ex-treasury)
Warrants Remaining	7.7 million	Exercise price S\$0.36, expiry 14 Sep 2026
Fully Diluted Shares	947.8 million	Including all outstanding warrants
Free Float	~145 million shares (~15.4%)	Post Vendor Share Sale (prev. ~110M / ~11.7%)
Average Daily Volume (3M)	~860,000 shares	

### Valuation Multiples

Metric	Value
P/E (FY2024 A)	12.7×
P/E (FY2025 A)	11.1×
P/B (FY2025 A)	1.93×
EV/EBITDA (FY2025 A)	~14.6×
Dividend Yield (FY2024 A)	2.2%
Dividend Yield (FY2025 A)	3.1%

### Profitability Metrics

Metric	FY2025	FY2024
ROE	18.1%	17.5%
ROA	7.4%	6.6%
Net Margin	18.5%	18.2%
EBITDA Margin	25.2%	25.0%
Effective Tax Rate	15.9%	14.2%

*Note: The effective tax rate appears below the statutory 17% rate because the share of results of associates (S\$11.6 million), which is already post-tax, is included in profit before tax. Excluding this item, the effective operating tax rate is approximately 17.6%, broadly in line with the statutory rate.*

## Balance Sheet Strength (31 Dec 2025)

Metric	Value
Current Ratio	1.19×
Net Gearing (Net Debt / Total Equity)	1.41×
PBT / P&L Finance Costs	~15.0×
Pre-WC Operating Cash Flow / Gross Finance Costs	4.9×

*Note: ValueMax reports P&L finance costs of S\$8.2 million, which reflects the net cost after inter-segment eliminations. Gross finance costs per the cash flow statement were S\$29.6 million (FY2024: S\$32.6 million). The gross coverage ratio of 4.9× is the more conservative and relevant measure for assessing the Group's debt serviceability.*

## Target Price vs Current

Metric	Value
Target Price (12M)	S\$1.55
Upside to Target	~25%
Implied P/E at TP (FY2025 A)	~13.9×
Implied P/E at TP (FY2026 E)	~11.2×

## Business Overview

ValueMax is one of Singapore's top three pawnbroking chains and was the first pawnshop group listed on the SGX Mainboard. The Group operates an integrated business model spanning three core segments: (1) **Pawnbroking** — short-term secured loans against gold, jewellery, and luxury items; (2) **Retail and Trading of Jewellery and Gold** — sale of new and pre-owned gold, jewellery, bullion, and luxury products, including the profitable resale of unredeemed pawn items; and (3) **Money lending** — longer-term personal and corporate loans, predominantly secured by property or vehicles.

This multi-segment model generates natural synergies: unredeemed pawned gold flows into retail channels for profitable resale, while the extensive retail network feeds pawn traffic and vice versa. In FY2025, the pawnbroking segment generated S\$38.8 million in inter-segment revenue from the sale of unredeemed items to the retail and trading segment, underscoring the tight integration of the model.

As at end-2025, ValueMax operates approximately 50 pawnbroking and retail outlets in Singapore (following the acquisition of Heng Heng and Ban Fook pawnshops in March 2025, for a net cash outflow of S\$4.7 million, which generated a bargain purchase gain of S\$326,000) and over 30

associated outlets in Malaysia. The Group's Malaysian associates, anchored by Well Chip Group Bhd (listed on Bursa Malaysia since FY2024), contributed S\$11.6 million in share of profits in FY2025, up 85.2% YoY — a substantial and growing earnings stream. Investments in associates rose to S\$61.9 million (FY2024: S\$49.1 million), reflecting both earnings accretion and the appreciation of the Well Chip Group stake.

Gold prices surged through 2025, rising from approximately US\$2,600/oz at end-2024 to approximately US\$4,500–4,800/oz by year-end, before breaching US\$5,000/oz in early 2026. As of late February 2026, spot gold trades at approximately US\$5,150/oz. Singapore's pawnbroking industry disbursed over S\$5 billion in loans in the first half of 2025 — the highest in a decade — with industry participants attributing the surge to rising gold prices and stronger appetite for liquidity. In this environment, ValueMax's market-leading position and gold-backed operating model place it at the centre of a structural tailwind.

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## Financial Highlights — FY2025 Results

ValueMax delivered a record performance across every key financial metric in FY2025, decisively crossing the S\$100 million profit threshold.

### Revenue

Group revenue rose 21.3% YoY to S\$553.1 million (FY2024: S\$456.2 million). Growth accelerated in 2H2025, with second-half revenue of S\$284.8 million (+25.8% YoY) outpacing the first half's S\$268.3 million (+16.8% YoY). The acceleration reflects the cumulative effect of a sustained gold price rally and seasonally stronger festive demand in Q4.

### Gross Profit and Margins

Gross profit surged 29.1% YoY to S\$167.6 million, with gross margin expanding 180 basis points to 30.3% (from 28.5% in FY2024). The improvement was driven by a richer revenue mix — higher contributions from pawnbroking and moneylending, both of which carry superior margins — alongside elevated gold prices supporting retail spreads. Notably, the pawnbroking segment's cost of sales actually declined by S\$2.2 million YoY, reflecting reduced losses on unredeemed items as rising gold prices increasingly move in favour of collateral recovery.

### PATMI

Profit attributable to owners reached S\$102.1 million, up 23.2% YoY from S\$82.8 million in FY2024. Stripping out the S\$10.1 million one-off gain on dilution of interest in associate Well Chip Group recognised in FY2024, underlying PATMI growth was approximately 40.4% — underscoring the strength of the operational performance. Net margin improved to 18.5% from 18.2%, a new record for the Group.

### EPS and DPS

Basic EPS rose 14.1% to 11.16 cents (FY2024: 9.78 cents), despite a 7.9% increase in the weighted average share count from warrant conversions (weighted average: 914.5 million shares in FY2025 vs

847.1 million in FY2024). Diluted EPS was 10.77 cents. Total dividends for FY2025 amount to 3.88 cents per share — comprising an interim dividend of 1.20 cents (the Group's first-ever interim payout) and a proposed final dividend of 2.68 cents — representing a 44.8% increase over FY2024's 2.68 cents. The payout ratio stands at approximately 34.8% of basic EPS (36.0% on a diluted basis), within the Board's target range of 30–50%.

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## Segmental Analysis

### Retail and Trading of Jewellery and Gold

Revenue: S\$425.0 million (+23.6% YoY); Segment Profit: S\$45.8 million (+73.9% YoY)

The retail and trading segment, contributing 76.9% of Group revenue, posted its highest-ever top line on elevated gold prices and strong consumer demand. Cost of sales rose at a materially slower pace than revenue, driving a pronounced profit uplift — segment profit nearly doubled. The segment benefits from both retail gold sales and the disposal of unredeemed pawn items at higher prevailing prices. Additionally, the Group recognised an increase in fair value of inventories less point-of-sale costs of S\$10.0 million in FY2025 (FY2024: S\$3.9 million), reflecting the mark-to-market gains on gold inventories from the surging gold price environment. While favourable, this item is partly unrealised and could reverse if gold prices correct materially.

### Pawnbroking

Revenue: S\$60.8 million (+24.3% YoY); Segment Profit: S\$25.9 million (+70.2% YoY)

Pawnbroking delivered exceptional growth as higher gold prices expanded collateral values, enabling larger loan ticket sizes and higher interest income per pledge. The segment's cost of sales actually declined YoY (by S\$2.2 million), reflecting reduced losses on unredeemed items as gold prices have increasingly moved in favour of collateral recovery. Gross margin expansion was substantial, and pawnbroking's share of Group gross profit continued to rise. In 2H2025 alone, pawnbroking segment profit reached S\$12.8 million, nearly double the S\$6.5 million achieved in 2H2024, demonstrating the powerful operating leverage inherent in this segment.

### Moneylending

Revenue: S\$67.3 million (+6.0% YoY); Segment Profit: S\$36.0 million (+12.6% YoY)

Moneylending delivered steady growth, with the secured lending book expanding in line with consumer and SME credit demand. Finance costs within the segment declined 4.7% YoY (to S\$25.1 million), reflecting improving funding conditions and active liability management. Allowance for expected credit losses on trade receivables in this segment increased to S\$3.7 million (from S\$2.9 million in FY2024), though this remains modest relative to the portfolio size. Segment profitability improved on stable interest margins and lower funding costs.

## Associates

Share of results of associates jumped 85.2% YoY to S\$11.6 million, driven primarily by increased contribution from the Malaysian associated companies, with Well Chip Group Bhd as the anchor. The value of investments in associates rose to S\$61.9 million (FY2024: S\$49.1 million), reflecting both earnings accretion and mark-to-market gains from the listed Well Chip Group stake. This represents a growing and capital-light earnings stream that enhances the Group's return on equity without requiring additional debt.

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## Investment Thesis

### 1. Structural Gold Tailwind at Full Velocity

Gold surged from approximately US\$2,600/oz at end-2024 to approximately US\$4,500–4,800/oz by end-2025, and has continued to rally above US\$5,000/oz in early 2026, trading at approximately US\$5,150/oz as of late February 2026. The macro drivers — geopolitical instability, fiscal concerns, persistent dollar weakness, and central bank accumulation — remain firmly in place. For ValueMax, every incremental rise in gold amplifies earnings through three channels: (a) higher retail sales volumes and mark-ups; (b) larger pawn loan ticket sizes (since collateral values are higher); and (c) inventory revaluation gains on existing gold holdings (S\$10.0 million in FY2025 alone). While a correction cannot be ruled out, the structural bull case for gold remains compelling, and ValueMax is optimally positioned to benefit.

### 2. Profitability Inflection and Operating Leverage

FY2025 demonstrated that ValueMax's integrated model possesses significant operating leverage. Revenue grew 21.3%, but underlying PATMI (ex one-offs) grew over 40%. Administrative expenses grew only 16.5% YoY, well below the revenue growth rate. Gross finance costs (per the cash flow statement) declined 9.1% to S\$29.6 million (FY2024: S\$32.6 million), reflecting lower market interest rates and diversified funding (including SDAX commercial paper issuances). This inflection in profitability is not a one-off; as long as gold remains elevated and the loan book grows, incremental margins should remain accretive.

### 3. Market Consolidation and Network Scale

ValueMax's March 2025 acquisition of two pawnshops (Heng Heng and Ban Fook, for a net cash outflow of S\$4.7 million) exemplifies its market consolidation strategy. With approximately 50 outlets in Singapore and over 30 associated outlets in Malaysia, ValueMax operates at a scale that provides meaningful advantages in gold procurement, inventory management, funding costs, and brand recognition. Smaller operators face increasing regulatory compliance costs and digitalisation requirements, creating opportunities for further bolt-on acquisitions. The Group's network scale translates into higher per-store productivity and better customer accessibility.

### 4. Improving Shareholder Returns

The introduction of the first-ever interim dividend in FY2025, combined with the 44.8% increase in total DPS to 3.88 cents, marks a structural shift in capital return cadence. The proposed final dividend of 2.68 cents matches FY2024's entire full-year payout, underscoring management's confidence in the sustainability of elevated earnings. The payout ratio of approximately 34.8% sits squarely within the Board's target range of 30–50%. At the current price, the FY2025 dividend yield is approximately 3.1%; at our TP of S\$1.55, the implied yield is approximately 2.5%. Additionally, the ongoing exercise of warrants (exercise price S\$0.36, expiring 14 September 2026) continues to inject fresh equity at accretive levels, with only 7.7 million warrants remaining as at 31 December 2025.

### 5. Defensive, Counter-Cyclical Earnings Profile

Pawnbroking demand tends to increase during periods of economic stress, when individuals require short-term liquidity but may not have access to bank credit. In prosperous times, retail gold and jewellery demand provides the offsetting boost. This natural hedge has historically smoothed ValueMax's revenue cycle. With over 95% of the loan book secured by tangible collateral, credit losses remain negligible — FY2025 allowance for expected credit losses was S\$4.2 million on a total receivables base exceeding S\$1.2 billion.

### 6. Shareholder Base Transformation and Index Eligibility

The Vendor Share Sale announced on 25 February 2026 represents a deliberate step to address ValueMax's historically thin free float. The placement of 34.8 million shares with named long-only institutional investors — including abrdn Asia Limited, one of the region's largest asset managers — transforms the shareholder register from a predominantly family-held structure to one with meaningful institutional representation. The expanded free float (~145 million shares, up from ~110 million) strengthens ValueMax's eligibility for inclusion in the iEdge Singapore Next 50 Index, which would trigger passive fund inflows and create a self-reinforcing liquidity cycle. The Vendors' 90-day moratorium on further sales, combined with their retention of 81.53% ownership, signals sustained confidence while providing the institutional quality that the stock has long lacked.

## Valuation and Peer Comparison

### Valuation Methodology

The target price of S\$1.55 is derived from a blended valuation framework:

Method	Multiple / Assumptions	Implied Value	Weight
P/E on FY2025A	13× EPS of 11.16¢	S\$1.45	35%
P/E on FY2026E	12× EPS of ~13.8¢	S\$1.65	25%
P/B on FY2025A	2.4× NAV of 64.40¢	S\$1.55	20%
DCF (10% CoE, 3% TGR)	5-year FCFE, 65% distributable	S\$1.40	20%

Method	Multiple / Assumptions	Implied Value	Weight
<b>Blended Target Price</b>		<b>S\$1.51</b>	
<b>Rounded Target Price</b>		<b>S\$1.55</b>	

The P/E multiples assigned (12–13×) remain conservative relative to the recent peer re-rating. The forward P/E component (12× FY2026E) now uses the revised EPS estimate of 13.8 cents, which incorporates the JPMorgan Chase gold price forecast of US\$6,300/oz by end-2026; this raises the FY2026E-derived implied value from S\$1.45 to S\$1.65, providing additional upside support to the blended TP. The P/B approach (2.4× for approximately 18% ROE) is justified by the Group's improving returns trajectory. The DCF has been revised upward from S\$1.29 to S\$1.40, reflecting the higher near-term earnings assumptions. The rounded TP of S\$1.55 is marginally above the arithmetic blended output (S\$1.51), reflecting the gold price tailwind, the Vendor Share Sale catalyst (expanded institutional ownership, index eligibility), and the potential for further re-rating as institutional awareness grows via the GEMS programme.

#### Peer Comparison

Market data as at 25–26 Feb 2026. All figures based on reported FY2025 results.

Metric	ValueMax (T6I)	MoneyMax (5WJ)	Aspial Lifestyle (5UF)
Share Price	S\$1.240	S\$0.915	S\$0.380
Market Cap	~S\$1,166M	~S\$809M	~S\$703M
FY2025 Revenue	S\$553.1M	S\$541.9M	S\$830.1M
FY2025 PATMI	<b>S\$102.1M</b>	S\$71.7M	S\$80.7M
PATMI Growth (YoY)	+23.2%	+87.6%	+135.2%
P/E (FY2025 A)	11.1×	11.3×	8.7×
P/B (FY2025 A)	1.93×	3.20×	2.34×
ROE (FY2025 A)	~18.1%	32.8%	26.8%
Net Margin	<b>18.5%</b>	13.2%	9.7%
Dividend Yield (FY2025 A)	3.1%	2.2%	3.2%
Net Gearing	<b>1.41×</b>	3.08×	2.25×
EBITDA Margin	25.2%	26.4%	20.9%

*Note: All prices as at 25 Feb 2026. ValueMax FY2024 PATMI included a S\$10.1M one-off gain on dilution of interest in Well Chip Group; underlying FY2025 PATMI growth (ex one-off) was approximately 40%. Aspial Lifestyle EPS calculated on a weighted average of 1,854.6M shares (post September 2025 bonus issue of 442.25M shares). MoneyMax EPS is on a post-bonus basis (884.5M shares). Sources: Company filings; TFS reports.*

The three SGX-listed pawnbroking operators now form a well-defined peer group, each occupying a distinct competitive position within the same gold-driven structural tailwind:

**ValueMax** is the only operator to have crossed the S\$100 million PATMI threshold, a landmark that confirms its status as the most profitable pawnbroking franchise on the SGX. The Group's 18.5% net margin — nearly 400 basis points above MoneyMax and almost double Aspial Lifestyle's — reflects a fundamentally higher-quality earnings stream, bolstered by the capital-light associate contribution from Well Chip Group (S\$11.6M, +85% YoY) and the most conservative funding profile in the peer group (1.41× net gearing, less than half MoneyMax's 3.08×). While reported PATMI growth of 23.2% appears more modest than peers, this is partly a function of the higher base (which included the S\$10.1M Well Chip dilution gain in FY2024); on an underlying basis, growth was approximately 40%. The P/E of 11.1× is broadly in line with MoneyMax (11.3×) and at a premium to Aspial Lifestyle (8.7×), which we view as anomalous given ValueMax's margin leadership and balance sheet conservatism. The Vendor Share Sale, by expanding free float and introducing institutional investors, directly addresses the structural overhang that has historically weighed on the multiple. We see scope for further re-rating as this shareholder base transformation is recognised by the market.

**MoneyMax** is the highest-ROE operator at 32.8%, reflecting more aggressive capital deployment (3.08× net gearing) and the operating leverage generated by its rapid outlet expansion (approximately 113 outlets, up from ~100 in mid-2025). MoneyMax's 87.6% PATMI growth and 26.4% EBITDA margin (highest in the peer group) demonstrate a franchise in high-growth mode. The upcoming Mainboard transfer provides an additional catalyst that could further compress the valuation gap with ValueMax. The higher P/B (3.20×) is justified by the higher ROE, consistent with the principle that capital-efficient franchises should trade at a premium to book.

**Aspial Lifestyle** is the largest operator by revenue (S\$830.1M) and delivered the strongest earnings acceleration (+135% PATMI growth) from a lower profit base. At 8.7× trailing P/E, it trades at a material discount to both peers, partly reflecting its lower net margin (9.7%), higher gearing (2.25×), and thinner free float. The 26.8% ROE is competitive, and the 3.2% dividend yield is the highest in the group. As Aspial Lifestyle's margin trajectory matures and institutional awareness grows, the valuation gap to peers should narrow.

The peer group as a whole trades at 8–12× trailing earnings, a range that remains modest for asset-backed businesses compounding earnings at 23–135% in the context of a multi-year gold supercycle. ValueMax's combination of the largest absolute profit pool, the highest margins, the most conservative balance sheet, and a proven dividend growth trajectory positions it as the quality anchor of the sector.

## Scenario Analysis

Scenario	FY2026E PATMI	EPS	Applied P/E	Implied Value
Bear (gold at US\$4,000, flat growth)	S\$85M	~9.0¢	8×	S\$0.72
Base (gold at US\$5,500–6,300, +28% NP growth)	S\$130M	~13.8¢	12×	S\$1.65
Bull (gold at US\$7,000+, +40% NP growth)	S\$150M	~15.9¢	15×	S\$2.38

Even in the bear case — which assumes gold retraces approximately 22% from current levels to US\$4,000 — downside from the current price is approximately 42%, with NAV of 64.40 cents per share providing a fundamental floor. In the base case, the stock would trade at S\$1.65, offering 33% upside, reflecting the JPMorgan Chase gold price trajectory and the Group's demonstrated operating leverage. In the bull case, driven by gold surging above US\$7,000 and the market assigning a premium multiple (justified by sustainable ROE improvement and the improved institutional ownership profile), the stock could reach S\$2.38, representing approximately 92% upside.

## Catalysts and Risks

### Near-Term Catalysts

**Vendor Share Sale and institutional ownership.** The placement of 34.8 million shares with long-only institutional investors (abrdn Asia, Amova, Avanda, ICH Synergrowth Fund) broadens the shareholder base, increases the free float to approximately 145 million shares (~15.4%), and positions ValueMax for potential inclusion in the iEdge Singapore Next 50 Index. Index inclusion would trigger passive fund flows and further improve trading liquidity.

**Sustained gold price strength.** Gold above US\$5,000 as at late February 2026 provides ongoing revenue and inventory revaluation tailwind.

**GEMS/EQDP coverage.** Inclusion in the SGX-sponsored research programme continues to drive investor awareness and liquidity for this previously under-covered stock.

**Final warrant expiry (Sep 2026).** Only 7.7 million warrants remained outstanding as at 31 December 2025 (exercise price S\$0.36). Full exercise removes overhang and injects approximately S\$2.8 million in fresh equity.

**Potential acquisitions.** Management has indicated continued appetite for bolt-on pawnshop and moneylending acquisitions in Singapore and Malaysia. The FY2025 acquisition of Heng Heng and Ban Fook at a bargain purchase gain demonstrates the Group's ability to acquire at attractive valuations.

**Interest rate easing.** Lower borrowing costs would expand net interest margins across both pawnbroking and moneylending, given the Group's substantial reliance on wholesale funding. FY2025 gross finance costs already declined 9.1% YoY despite loan book expansion.

**Growing associate contribution.** Well Chip Group's increasing profitability (contributing S\$11.6M in FY2025, +85.2% YoY) represents a capital-light, high-return earnings stream with further upside.

### Key Risks

**Gold price correction.** A material decline in gold prices would compress retail trading margins, reduce collateral values, and dampen pawn loan demand. Additionally, the S\$10.0 million inventory fair value gain recognised in FY2025 could partially reverse. Mitigant: conservative LTV ratios, diversified collateral, and the counter-cyclical nature of pawnbroking demand.

**Regulatory risk.** Pawnbroking and moneylending are tightly regulated by MinLaw and the Registry of Moneylenders. Interest rate caps, enhanced AML/CFT requirements, or stricter licensing could compress margins or raise compliance costs.

**LVMH litigation.** Louis Vuitton commenced proceedings against ValueMax Retail in September 2025 for alleged trademark infringement relating to two pieces of gold jewellery (a charm and earrings) sold or offered for sale at a Yishun outlet in 2024. LV applied for summary judgement in January 2026, escalating the matter. ValueMax has denied all allegations, stating these were unredeemed pawned items, and is vigorously defending the claims. LV's potential statutory damages are capped at S\$100,000 per type of goods. The Board has opined the case will not have material impact on the Group's financials. ValueMax has since ceased carrying LV products at all outlets as a precautionary measure. We view this as a manageable reputational nuisance rather than a material financial risk.

**Credit quality deterioration.** Rising allowances for expected credit losses (S\$4.2 million in FY2025 vs S\$2.6 million in FY2024) bear monitoring, though they remain a small fraction of the total receivables base (approximately 0.3% of total trade receivables).

**Funding/leverage risk.** Total borrowings reached S\$886 million at end-FY2025 (net gearing 1.41x), of which approximately 93% is current. While typical for the industry and backed by pledged assets, the Group's pre-working-capital operating cash flow of S\$145.1 million comfortably covers gross finance costs of S\$29.6 million (4.9x coverage). The balance sheet also carries S\$150.3 million in inventory (predominantly gold and jewellery), providing a highly liquid buffer. The Group has diversified its funding sources through SDAX commercial paper issuances.

**Concentrated ownership.** Despite the Vendor Share Sale, the founding Yeah family retains 81.53% of issued capital (direct and deemed). While the free float has improved to approximately 145 million shares (~15.4%), this remains relatively thin by Mainboard standards, and the controlling stake can lead to volatility and may continue to deter some institutional investors. Mitigant: the Vendor Share Sale demonstrates a willingness to broaden the shareholder base, and the 90-day moratorium signals the Vendors' intention to manage the process in an orderly fashion. Further vendor sell-downs, if executed at comparable institutional quality, would be incrementally positive.

## Cash Flow Analysis

Operating cash flows before changes in working capital were a healthy S\$145.1 million in FY2025 (FY2024: S\$121.7 million), up 19.2% YoY and in line with the underlying earnings growth. However, the rapid expansion of the pawn loan book and gold inventory consumed significant working capital:

Working Capital Driver (S\$'000)	FY2025	FY2024
Increase in trade and other receivables	(252,082)	(140,869)
Increase/(decrease) in inventories	(24,836)	4,367
Increase in prepaid operating expenses	(192)	(527)
Increase/(decrease) in trade and other payables	3,158	(371)
Increase/(decrease) in other liabilities	3,801	(844)
<b>Net working capital outflow</b>	<b>(270,151)</b>	<b>(138,244)</b>

The dominant driver was the S\$252.1 million increase in trade and other receivables (reflecting pawn loan book expansion at higher gold-driven ticket sizes), supplemented by a S\$24.8 million inventory build as the Group accumulated gold at higher prevailing prices. As a result, net cash used in operating activities was S\$166.7 million (FY2024: S\$56.3 million). This cash consumption is characteristic of a rapidly growing asset-backed lending business and is the primary reason the Group requires continued access to bank borrowings and capital markets funding.

Net cash from financing activities of S\$184.0 million comprised net proceeds from borrowings of S\$201.3 million and warrant exercise proceeds of S\$25.9 million, offset by dividends paid of S\$37.0 million (including S\$11.2 million interim dividend and S\$25.1 million FY2024 final dividend) and lease payments of S\$6.1 million.

## Dividend and Balance Sheet Commentary

### Strengthened Balance Sheet

Net assets rose 18.2% to S\$611.8 million (FY2024: S\$517.8 million), supported by retained earnings and the exercise of 71.9 million warrants during FY2025, which injected S\$25.9 million in fresh equity at the S\$0.36 exercise price. NAV per share increased to 64.40 cents (from 58.98 cents). Total borrowings rose to S\$886.3 million as the Group expanded its loan book and inventory to capture the gold upcycle. Approximately 83% of borrowings are current (reflecting the short-duration pawn loan book), and approximately 84% are secured against the Group's assets.

The debt-to-equity ratio of 1.41× reflects a conservative profile relative to peers (MoneyMax: 3.08× net gearing; Aspiat Lifestyle: 2.25×). Cash and bank balances stood at S\$22.4 million, with the Group's

inventory (S\$150.3 million, predominantly gold and jewellery) providing an additional highly liquid buffer.

The Group also maintains derivative liabilities of S\$928,000 (FY2024: S\$293,000), classified as cash flow hedges, indicating active hedging of some gold or interest rate exposure.

#### Dividend Track Record

Year	Interim DPS	Final DPS	Total DPS	Payout Ratio
FY2022	—	2.00¢	2.00¢	~41%
FY2023	—	2.20¢	2.20¢	~39%
FY2024	—	2.68¢	2.68¢	~27%
FY2025	1.20¢	2.68¢ (proposed)	3.88¢	~34.8%

The FY2025 dividend marks two milestones: the first-ever interim dividend and the highest-ever total payout. The proposed final dividend of 2.68 cents matches FY2024's entire full-year payout, while the 1.20 cent interim reflects the Board's stated intention to distribute dividends more evenly through the year. Together, the 3.88 cents total represents a 44.8% increase over FY2024, confirming management's commitment to growing dividends in tandem with earnings. The payout ratio of approximately 34.8% (basic EPS basis) sits within the Board's target range of 30–50%. At the current share price of S\$1.24, FY2025 DPS translates to a yield of approximately 3.1%; at our TP of S\$1.55, the yield is approximately 2.5%.

#### ESG and Strategic Commentary

ValueMax plays a socially meaningful role in promoting financial inclusion by providing short-term secured lending to individuals and small businesses who may lack ready access to bank credit. The pawnbroking model, regulated with interest rate caps, serves a genuine social purpose in providing emergency liquidity. The Group also contributes to the circular economy through the resale of pre-owned jewellery and luxury goods, extending the lifecycle of gold and precious items.

Governance remains a focal area given the concentrated family ownership. The Board comprises a mix of the founding Yeah family members and independent directors. Executive Chairman Yeah Hiang Nam and CEO Yeah Chia Kai (son) provide active leadership, while Chief Credit and Risk Officer Yeah Chia Wei (son) oversees lending standards. Key-man risk exists, though succession planning is well progressed with the next generation already in senior management. Related-party transactions in FY2025 totalled approximately S\$9.6 million (primarily purchases of goods from director-related companies at gold bid prices, and property rentals), all conducted on arm's-length terms and under the shareholders' general mandate renewed annually. Interest paid on commercial papers held by family members totalled S\$203,000.

The LVMH litigation, while a reputational matter, highlights the operational risks inherent in reselling unredeemed luxury goods. ValueMax has responded proactively by ceasing the sale of LV-branded products across all outlets.

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**Revised Forecasts: FY2026E and FY2027E**

Metric	FY2024 A	FY2025 A	FY2026E (TFS)	FY2027E (TFS)
Revenue (\$M)	456.2	553.1	685.0	754.0
Revenue Growth	+37.8%	+21.3%	+23.9%	+10.1%
Gross Profit (\$M)	129.8	167.6	212.4	229.8
Gross Margin	28.5%	30.3%	31.0%	30.5%
PATMI (\$M)	82.8	102.1	130.2	141.7
PATMI Growth (reported)	+56.7%	+23.2%	+27.5%	+8.9%
Basic EPS (cents)	9.78	11.16	~13.8	~14.9
DPS (cents)	2.68	3.88	~4.8	~5.2
Payout Ratio	~27%	~34.8%	~35%	~35%
ROE	~17.5%	~18.1%	~20%	~19%
Net Margin	18.2%	18.5%	19.0%	18.8%

Key assumptions: Average gold price of approximately US\$5,700/oz in FY2026E, consistent with the JPMorgan Chase forecast of US\$6,300/oz by end-2026, supported by central bank accumulation, geopolitical risk, and persistent dollar weakness. Organic loan book growth of 10–12%, 1–2 new outlet openings per year, and interest rate trajectory stable to slightly lower. Gross margin expansion to 31.0% reflects the favourable mix effect of higher gold prices on pawnbroking collateral recovery and retail spreads. Net margin expansion to 19.0% reflects operating leverage, with administrative expenses growing at approximately 15% (materially below revenue growth). FY2027E assumes gold stabilises near end-2026 levels (average ~US\$6,200/oz), with revenue growth moderating to approximately 10% as the base effect normalises. We note that foreign exchange risk (USD/SGD) represents a partially offsetting factor to the gold price tailwind, as Singapore dollar strength against the US dollar would reduce the SGD-translated value of gold; this is not explicitly modelled but is captured implicitly in our conservative revenue elasticity assumptions.

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## Recommendation

We raise our target price to **S\$1.55** (from S\$1.05), implying approximately 25% upside from the current share price of S\$1.24, and reiterate our **BUY** rating. Our TP is underpinned by a blended valuation of approximately 13× FY2025A P/E, cross-checked with a forward P/E of approximately 11.2× FY2026E and a DCF-derived intrinsic value of S\$1.40. ValueMax's FY2025 results confirm that the Group has entered a new earnings chapter — a S\$100 million-profit company with an 18% ROE, expanding margins, and a strengthened dividend commitment.

The structural gold tailwind, with bullion above US\$5,000 and JPMorgan Chase forecasting US\$6,300/oz by end-2026, provides ongoing support across all business segments. Valuations remain attractive relative to the Group's quality metrics; at 11.1× trailing earnings, ValueMax trades broadly in line with MoneyMax (11.3×) despite superior margins, a more conservative balance sheet, and — following the Vendor Share Sale — an improving institutional ownership profile. On our revised FY2026E estimates, the stock trades at just 9.0× forward earnings, underscoring the scope for further re-rating. The growing contribution from Malaysian associates (up 85% YoY), potential for further bolt-on acquisitions, and nascent index eligibility provide additional earnings optionality and re-rating catalysts that are not fully reflected in the current share price.

This is a golden century indeed, and the compounding of value is far from over.

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## Appendix: Financial Summary

### Income Statement (S\$'000)

	FY2025	FY2024	YoY (%)
Revenue	553,130	456,178	+21.3%
Cost of Sales	(385,547)	(326,373)	+18.1%
<b>Gross Profit</b>	<b>167,583</b>	<b>129,805</b>	<b>+29.1%</b>
Other Operating Income	9,526	7,768	+22.6%
Marketing & Distribution	(3,605)	(2,366)	+52.4%
Administrative Expenses	(49,503)	(42,500)	+16.5%
Finance Costs	(8,195)	(8,941)	-8.3%
Other Operating Expenses	(4,238)	(2,593)	+63.4%
Share of Associates	11,608	6,268	+85.2%
Gain on Dilution (one-off)	—	10,137	n.m.
<b>Profit Before Tax</b>	<b>123,176</b>	<b>97,578</b>	<b>+26.2%</b>
Income Tax	(19,594)	(13,814)	+41.8%
<b>Profit After Tax</b>	<b>103,582</b>	<b>83,764</b>	<b>+23.7%</b>
PATMI	102,082	82,832	+23.2%
Basic EPS (cents)	11.16	9.78	+14.1%
Diluted EPS (cents)	10.77	8.96	+20.2%
DPS (cents)	3.88	2.68	+44.8%

## Balance Sheet (S\$'000)

	31 Dec 2025	31 Dec 2024
Non-Current Assets	516,512	372,748
Current Assets	1,043,643	874,353
<b>Total Assets</b>	<b>1,560,155</b>	<b>1,247,101</b>
Current Liabilities	873,698	674,194
Non-Current Liabilities	74,657	55,119
<b>Total Liabilities</b>	<b>948,355</b>	<b>729,313</b>
<b>Net Assets</b>	<b>611,800</b>	<b>517,788</b>
Equity (Parent)	605,406	512,060
NCI	6,394	5,728
NAV/Share (cents)	64.40	58.98

## Cash Flow Summary (S\$'000)

	FY2025	FY2024
Operating Cash Flow (before WC)	145,096	121,713
Net Cash Used in Operations	(166,711)	(56,305)
Net Cash Used in Investing	(7,291)	(11,284)
Net Cash from Financing	184,024	64,867
Net Change in Cash	10,022	(2,722)

**Borrowings Breakdown (S\$'000)**

	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Current — Secured	674,609	509,702
Current — Unsecured	146,310	131,563
Non-Current — Secured	65,393	46,004
Non-Current — Unsecured	—	43
<b>Total Borrowings</b>	<b>886,312</b>	<b>687,312</b>

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