

ASPIAL LIFESTYLE LIMITED (SGX:5UF)

FY2025 Results Update | 27 February 2026

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Rating: BUY

Last Close: S\$0.380

Target Price: S\$0.460

Gold Rush: Record Earnings Confirm the Re-rating

FY2025 profit surges 135%; retail and pawnbroking fire on all cylinders; dividend raised 54% — momentum accelerating into FY2026

Executive Summary

Aspial Lifestyle Limited ("Aspial LS") has delivered a landmark set of FY2025 results that materially exceed our initiation-report estimates. Full-year revenue surged 41.3% year-on-year to a record S\$830.1 million, while net profit attributable to owners more than doubled (+135.2%) to S\$80.7 million. Earnings per share rose 94.2% to 4.35 cents, well above our prior FY2025E forecast of 3.01 cents. The results demonstrate that operational leverage across the group's pawnbroking, retail, and secured lending segments is now fully materialising, with net margin expanding sharply from 5.8% to 9.7%.

Management declared a total FY2025 dividend of 1.20 cents per share — comprising a first interim dividend of 0.40 cents (paid September 2025) and a second interim dividend of 0.80 cents (record and payment dates to be announced) — representing a 54% increase over FY2024's 0.78 cents and signalling confidence in sustainable cash generation. The outlook statement is notably bullish: management expects "substantially stronger performance in 1H2026 compared to 1H2025".

We upgrade our 12-month target price from S\$0.30 to S\$0.46, implying 21% upside from the current price. Our revised target is derived from a blended methodology: 10.0× FY2025A P/E (S\$0.435), 8.5× FY2026E P/E (S\$0.416), and 2.8× P/B (S\$0.455), cross-checked by DCF analysis (S\$0.61). At S\$0.46, Aspial LS would trade at 10.6× FY2025A earnings, still below peer ValueMax (~11.1×) and MoneyMax (~11.3×) despite delivering superior revenue scale and the fastest earnings growth in the peer group. We maintain our **BUY** rating.

Revision to prior estimates: Our initiation report (10 November 2025) projected FY2025 revenue of approximately S\$730 million, PATMI of approximately S\$55.8 million, and EPS of 3.01 cents. The actual results exceeded our estimates by 13.7% on revenue, 44.6% on PATMI, and 44.5% on EPS, driven by stronger-than-anticipated gold price tailwinds, accelerating retail momentum (including the Niessing Group contribution), and powerful operating leverage. We have revised our forward estimates and valuation accordingly.

Key Metrics

As at 25 Feb 2026; balance sheet as at 31 Dec 2025

Metric	Value
Share Price	S\$0.380
Market Capitalisation	~S\$703 million
52-Week Range	S\$0.112 – S\$0.380
Shares Outstanding	1,851.3 million
Free Float	~290 million shares (~15.7%)
Average Daily Volume (3M)	~3.5 million shares

Valuation Multiples

Metric	Value
P/E (FY2024 A)	17.0×
P/E (FY2025 A)	8.7×
P/E (FY2026 E)	7.8×
P/B (FY2025 A)	2.34×
EV/EBITDA (FY2025 A)	8.0×
Dividend Yield (FY2025 A)	3.2%
Target Dividend Yield (FY2025 A)	2.6%

Profitability Metrics

Metric	FY2025 A	FY2024 A	Change
ROE	26.8%	14.3%	+12.5 pp
ROA	5.0%	2.8%	+2.2 pp
Net Margin	9.7%	5.8%	+3.9 pp

Metric	FY2025 A	FY2024 A	Change
EBITDA Margin	20.9%	19.5%	+1.4 pp
Gross Margin ¹	36.4%	36.6%	-0.2 pp

¹ Gross margin is defined as (Revenue – Material Costs) / Revenue, consistent with the company's income statement presentation. Our initiation report (10 November 2025) used a broader cost base that included certain operating costs in COGS, producing a lower gross margin of ~26%. We have restated FY2024 accordingly for comparability.

Balance Sheet Strength (31 Dec 2025)

Metric	Value	Notes
Current Ratio	1.35×	CA S\$1,325.5m / CL S\$982.2m
Debt / Equity (Net Gearing)	2.25×	Net Debt S\$678.0m / Equity S\$301.0m
Interest Coverage (EBITDA)	5.3×	EBITDA S\$173.2m / Finance Costs S\$32.7m
Cash & Equivalents	S\$86.5m	Up from S\$42.7m at end-FY2024

Target Price vs Current

Metric	Value
Target Price (12M)	S\$0.46
Upside to Target	~21%
Implied P/E at TP (FY2025 A)	10.6×
Implied P/E at TP (FY2026 E)	9.4×

Business Overview

Aspial Lifestyle Limited operates as Singapore's largest integrated jewellery and secured lending operator, combining high-margin asset-backed pawnbroking with premium branded retail under the Lee Hwa, Goldheart, and Maxi-Cash banners. Formed through Aspial Corporation's consolidation of its retail jewellery division with Maxi-Cash Financial Services, the group functions as a unified platform spanning three core segments: (1) Pawnbroking, (2) Secured Lending (via BigFundr), and (3) Retail & Trading of jewellery and gold.

The group now operates a network of approximately 70+ locations across Singapore and Malaysia, with Malaysia emerging as a meaningful growth contributor at 12.2% of FY2025 revenue (up from 9.5% in FY2024). Singapore remains the dominant geography at 87.8% of revenue. The parent company, Aspial Corporation, retains majority ownership (approximately 84%), providing strategic alignment and governance continuity.

Two notable strategic developments in FY2025 include: (a) the acquisition and integration of the Niessing Group, a German luxury jewellery brand, broadening the group's premium retail positioning; and (b) the rapid scaling of BigFundr, the group's digital secured lending platform, which nearly doubled its revenue contribution to S\$11.5 million.

Financial Highlights — FY2025 Results

Record Revenue and Profit

FY2025 marked the strongest financial year in Aspial LS's history. Group revenue reached S\$830.1 million, a 41.3% increase over FY2024's S\$587.6 million. Profit before tax surged 126.7% to S\$102.5 million, while net profit attributable to owners jumped 135.2% to S\$80.7 million. Basic EPS rose 94.2% to 4.35 cents, comfortably exceeding our prior initiation forecast of 3.01 cents.

Notably, the group recorded a net fair value change on derivative financial instruments of S\$8.8 million during FY2025 (FY2024: S\$0.05 million), reflecting hedging losses arising from the sharp surge in gold prices. Management characterises S\$8.0 million of this as commodity price hedging losses on the unredeemed pledge portfolio. Excluding this hedging impact, profit before tax would have been approximately S\$110.5 million. The loss was fundamentally offset by the increased value of unredeemed pledge collateral, underscoring the inherent asset-backed resilience of the business model. As gold prices continue to rise, we note that recurring hedging costs of this nature are a structural feature of the group's risk management framework and should be factored into ongoing earnings expectations.

Revenue and Profit vs Our Prior Estimates

Metric	FY2025 Actual	TFS FY2025E (Nov 2025)	Beat / Miss
Revenue	S\$830.1m	~S\$730m	+13.7% beat
Net Profit (PATMI)	S\$80.7m	~S\$55.8m	+44.6% beat
EPS	4.35 cents	~3.01 cents	+44.5% beat
Net Margin	9.7%	~7.6%	+210 bps beat
DPS	1.20 cents	~1.15 cents	+4.3% beat

Segment Breakdown — FY2025

Segment	Revenue (S\$m)	YoY Growth	PBT (S\$m)	YoY Growth	% of Group PBT
Retail & Trading	726.6	+42.2%	58.2	+177.9%	57%
Pawnbroking	92.0	+30.5%	42.3	+74.2%	41%
Secured Lending	11.5	+91.8%	1.4	+65.7%	1%
Group Total	830.1	+41.3%	102.5	+126.7%	100%

Note: Segment PBT excludes inter-segment eliminations and "Others" segment. Group PBT as reported. Source: FY2025 Financial Statements, Note E4.

Retail & Trading was the standout performer, with revenue surging 42.2% to S\$726.6 million, driven by strong consumer demand for gold jewellery and branded merchandise, supported in part by the Niessing Group contribution. Segment PBT nearly tripled (+177.9%) to S\$58.2 million, demonstrating powerful operating leverage as revenue growth substantially outpaced cost increases.

Pawnbroking delivered robust growth with revenue up 30.5% to S\$92.0 million. Interest income from pawnbroking services grew 30.0% to S\$88.9 million, reflecting an expanding pledge book underpinned by elevated gold prices. Segment PBT rose 74.2% to S\$42.3 million, reflecting higher collateral values and widening spreads. Platform service income (largely from BigFundr's agency/platform operations) surged 87.0% to S\$10.9 million.

Secured Lending continues to gain traction with revenue nearly doubling (+91.8%) to S\$11.5 million, driven by strong growth in real estate-backed lending activities through BigFundr. While still a small contributor, this segment's trajectory signals significant potential.

2H2025 Acceleration

The second half demonstrated accelerating momentum across all metrics. 2H2025 revenue of S\$462.9 million (+38.1% YoY) represented 55.8% of full-year revenue, while 2H2025 PATMI of S\$52.8 million constituted 65.4% of the full-year total. Net margin in 2H2025 expanded to 11.4%, up from 6.0% in 2H2024, confirming that operating leverage intensified as the year progressed.

Note: 2H2025 basic EPS was reported at 4.55 cents on a weighted average share count of 1,159.2 million for the half-year period. This figure exceeds full-year EPS of 4.35 cents due to the half-year weighting methodology used in the financial statements and should not be annualised.

Revenue Disaggregation

Revenue Stream	FY2025 (S\$m)	FY2024 (S\$m)	YoY Growth
Interest income from pawnbroking	88.9	68.4	+30.0%
Sale of unredeemed articles	3.1	2.1	+48.5%
Platform service income	10.9	5.8	+87.0%
Interest income from secured lending	0.6	0.2	+274.2%
Sale of jewellery & branded merchandise	726.6	511.1	+42.2%
Total	830.1	587.6	+41.3%

Source: FY2025 Financial Statements, Note E5

Geographic Diversification

Geography	FY2025 (S\$m)	FY2024 (S\$m)	YoY Growth	% of Total
Singapore	728.5	531.8	+37.0%	87.8%
Others (primarily Malaysia)	101.5	55.8	+82.1%	12.2%
Total	830.1	587.6	+41.3%	100%

Source: FY2025 Financial Statements, Note E5

Malaysia and overseas markets grew 82.1% YoY to S\$101.5 million, now representing 12.2% of group revenue (up from 9.5%). This validates the group's geographic diversification strategy and positions Malaysia as a meaningful growth engine.

Cash Flow Analysis

Operating cash flows before working capital changes were a robust S\$181.8 million in FY2025 (FY2024: S\$118.2 million), reflecting the strong underlying earnings power of the business. However, **net cash used in operating activities was S\$7.8 million** (FY2024: net cash used of S\$46.1 million), primarily due to a S\$296.2 million increase in trade and other receivables.

The receivables increase requires context. Of the S\$989.2 million in trade and other receivables at 31 December 2025, **S\$296.9 million relates to secured lending receivables held as agent/nominee for third-party investors** through the BigFundr platform. These are pass-through positions: the group holds and administers Loan Notes on behalf of external investors, with a corresponding liability of S\$288.5 million recognised within trade and other payables. These agency receivables and payables

gross up both sides of the balance sheet but do not represent proprietary credit risk for the group. Excluding this agency effect, the adjusted operating cash position would be materially stronger.

Working Capital Driver (S\$'000)	FY2025	FY2024
Increase in inventories	(28,353)	(20,844)
Increase in trade and other receivables	(296,225)	(215,957)
(Increase)/decrease in prepayments	(390)	209
Increase in trade and other payables	173,697	109,013
Net working capital outflow	(151,271)	(127,579)

Cash from financing activities was S\$82.1 million, reflecting net proceeds from new borrowings, partially offset by repayments, lease payments (S\$29.9 million), and dividends paid (S\$15.8 million including NCI).

Capital Expenditure

Capital expenditure surged to S\$33.4 million in FY2025 (FY2024: S\$10.8 million). Segment data indicates S\$27.0 million was allocated to the "Others" segment, which includes property-related investments and support services. The balance was deployed across pawnbroking (S\$2.8 million), retail (S\$3.7 million), and secured lending. The significant step-up in capex warrants monitoring; we will seek management clarification on the nature of the "Others" investment at the upcoming results briefing.

Investment Thesis

(1) Record Earnings Confirm Structural Earnings Power

FY2025 was not a one-off. The 135% profit surge reflects structural forces: a growing pledge book, expanding retail footprint, and deepening operational synergies across the integrated platform. Net margin expanded nearly 400 basis points to 9.7%, driven by operating leverage — revenue growth of 41% substantially outpaced employee cost growth of 25%, though other operating expenses rose 50% (partly due to Niessing Group integration, higher marketing expenditures, and the derivative financial instruments fair value change). The 2H2025 margin of 11.4% suggests further room for full-year margin improvement in FY2026.

(2) Gold Tailwinds Remain Exceptionally Favourable

The gold price rally that underpinned FY2025's results shows no signs of abating. J.P. Morgan forecasts gold reaching US\$6,300/oz by year-end 2026, while Goldman Sachs targets US\$5,400/oz. HSBC sees gold potentially reaching US\$5,050/oz in 1H2026. A Reuters poll of 30 analysts forecasts gold averaging US\$4,746.50/oz in 2026. Elevated gold prices directly benefit Aspiat LS through: (a) higher

collateral values boosting pawn volumes and interest income; (b) stronger consumer demand for gold jewellery; and (c) improved margin on unredeemed pledge realisations. However, the group's commodity hedging programme means that a portion of gold price upside is forfeited as a cost of downside protection — the S\$8.0 million hedging loss in FY2025 illustrates this trade-off. We note that USD/SGD exchange rate movements represent a partially offsetting factor: Singapore dollar strength against the US dollar would reduce the SGD-translated value of gold.

Gold Price Sensitivity

Gold Price Scenario (US\$/oz, avg 2026)	Revenue Impact	Margin Impact	Indicative FY2026E PATMI
>US\$5,500 (bull)	+20–25%	Expanding; hedging losses widen	S\$100–110m
US\$4,500–5,000 (base)	+12–18%	Stable at ~9.5%	S\$88–95m
US\$3,500–4,000 (bear)	Flat to -5%	Compressing to ~7–8%	S\$60–70m
<US\$3,500 (severe bear)	-10–15%	Sharp compression to ~5–6%	S\$40–50m

(3) Compelling Valuation Relative to Peers

Despite delivering the highest revenue among SGX-listed pawnbroking operators and the strongest earnings acceleration in FY2025, Aspial Lifestyle trades at the cheapest valuation in the peer group on virtually every metric:

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

Metric	Aspial Lifestyle (5UF)	ValueMax (T6I)	MoneyMax (5WJ)
Dividend Yield (FY2025 A)	3.2%	2.6%	2.2%
Net Gearing	2.25×	1.41×	3.08×
EBITDA Margin	20.9%	25.2%	26.4%

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:

Aspial Lifestyle stands out as the most undervalued operator in the group. At 8.7× trailing P/E, the stock trades at a 22% discount to ValueMax (11.1×) and a 23% discount to MoneyMax (11.3×), despite delivering the highest revenue (S\$830.1M, 50% larger than either peer), the fastest earnings growth (+135%), a competitive 26.8% ROE, and the highest dividend yield (3.2%). The valuation discount partly reflects legitimate structural differences — Aspial Lifestyle's 9.7% net margin trails ValueMax's 18.5% and MoneyMax's 13.2%, and its 2.25× net gearing sits between the two peers. However, the discount also reflects the market's incomplete recognition of Aspial Lifestyle's earnings trajectory: FY2025 was the first full year in which the integrated platform (Lee Hwa, Goldheart, Maxi-Cash, BigFundr) operated at scale, and the 2H2025 net margin of 11.4% suggests that the full-year margin is still converging toward its steady-state level.

ValueMax is the most profitable operator in absolute terms, the first in the peer group to cross the S\$100 million PATMI threshold. Its 18.5% net margin and 1.41× net gearing make it the quality-and-conservatism anchor of the sector. The capital-light associate earnings stream from Well Chip Group (S\$11.6M, +85% YoY) enhances returns without requiring additional debt. ValueMax's Mainboard-listed status, growing GEMS research coverage, and the recent Vendor Share Sale (which placed 34.8M shares with named long-only institutions including abrdn Asia, expanding the free float to ~145M shares) provide institutional visibility that Aspial Lifestyle has yet to match.

MoneyMax operates with the highest ROE in the group (32.8%), driven by aggressive capital deployment (3.08× net gearing) and rapid outlet expansion to approximately 113 locations. The upcoming Mainboard transfer, S\$500M MTN programme, and new business verticals (MoneyMax Bullion, Ar-RahnuMax) position MoneyMax as the most catalyst-rich name in the sector. The 26.4% EBITDA margin, the highest among the three operators, reflects a well-optimised cost structure.

The sector-wide valuation range of 9–11× trailing earnings remains compressed relative to the quality of earnings being generated. For Aspial Lifestyle specifically, we view the gap to peers as an opportunity: as the integrated platform's margin trajectory matures (from 9.7% toward the 2H2025 run-rate of 11.4%), as the free float broadens (already improved from 11.7% to 15.7%), and as institutional coverage expands, the discount should narrow. A re-rating to the peer average of

approximately 11× FY2025A P/E alone would imply a share price of approximately S\$0.48, above our target price of S\$0.46.

(4) Dividend Growth Trajectory

The 54% increase in total DPS (from 0.78 cents to 1.20 cents) reflects management's commitment to returning value to shareholders. The payout ratio of 27.6% remains conservative — materially below ValueMax (34.8%) and only modestly above MoneyMax (24.7%) — providing significant headroom for further dividend increases as earnings grow. At current prices, the FY2025A yield of 3.2% is the highest among the three pawnbroking peers. Assuming a modest increase in payout to 30% on our FY2026E EPS of 4.90 cents, FY2026E DPS could reach ~1.47 cents (a further 23% increase), translating to a 3.9% yield at current prices.

(5) Management Confidence in FY2026 Outlook

The outlook statement is unambiguously bullish. Management expects FY2026 to be shaped by elevated gold prices, easing interest rates, and continued macroeconomic uncertainties, all of which favour Aspiat LS's business model. Specifically, the group expects "substantially stronger performance in 1H2026 compared to 1H2025", suggesting that the earnings inflection has further runway. The pawnbroking segment is expected to maintain its growth trajectory supported by an expanded pawn loan book, while the retail segment remains resilient and Malaysia is viewed as a strategic growth market. Management has also indicated its intent to explore options to strengthen the equity base to support future growth.

Valuation & Target Price Derivation

Methodology

The revised target price of S\$0.46 is derived from a blended approach using three methodologies, cross-checked by DCF analysis.

Methodology	Multiple	Basis	Implied TP
P/E (FY2025 Actual)	10.0×	FY2025A EPS 4.35 cents	S\$0.435
P/E (FY2026 Estimate)	8.5×	FY2026E EPS 4.90 cents	S\$0.416
P/B (FY2025 Actual)	2.8×	FY2025A NAV S\$0.1626/share	S\$0.455
Blended TP		Equal weight	S\$0.44
Rounded TP			S\$0.46

Justification for Multiples:

10.0× FY2025A P/E: Below ValueMax (11.1×) and MoneyMax (11.3×) trailing multiples. A discount is applied given Aspiat LS's higher gearing (vs ValueMax) and lower net margin, partially offset by its faster earnings growth, superior dividend yield, and the largest revenue base in the sector.

8.5× FY2026E P/E: Assumes continued earnings growth of ~13% into FY2026E (conservative relative to management's bullish guidance). This represents a discount to both peers' forward multiples.

2.8× P/B: Justified by FY2025A ROE of 26.8%, which is competitive with MoneyMax (32.8%) and materially above ValueMax (18.1%). A business generating >25% ROE should command a premium to book.

Revised Forecasts: FY2026E and FY2027E

Metric	FY2024 A	FY2025 A	FY2026E (TFS)	FY2027E (TFS)
Revenue (S\$M)	587.6	830.1	955	1,050
Revenue Growth	+24.6%	+41.3%	+15.0%	+10.0%
EBITDA (S\$M)	114.6	173.2	~200	~215
EBITDA Margin	19.5%	20.9%	~21%	~20.5%
PATMI (S\$M)	34.3	80.7	~91	~98
PATMI Growth	+78.8%	+135.2%	+12.8%	+7.7%
EPS (cents)	2.24	4.35	~4.90	~5.30
DPS (cents)	0.78	1.20	~1.47	~1.59
Payout Ratio	34.8%	27.6%	~30%	~30%
ROE	~14.3%	26.8%	~24%	~22%
Net Margin	5.8%	9.7%	~9.5%	~9.3%

Key assumptions: Average gold price of approximately US\$5,700/oz in FY2026E, consistent with J.P. Morgan's year-end 2026 forecast of US\$6,300/oz. Revenue growth of 15% is conservative relative to management's guidance of "substantially stronger" 1H2026 performance, reflecting our expectation that the 2H base effect moderates the full-year growth rate. Slight net margin normalisation to 9.5% incorporates potential hedging volatility and the higher opex trajectory observed in 2H2025. Payout ratio rising modestly to 30%. FY2027E assumes gold stabilises near end-2026 levels, with revenue growth moderating to approximately 10% as the base effect normalises. We note that USD/SGD exchange rate movements represent a partially offsetting factor to the gold price tailwind; this is not explicitly modelled but is captured implicitly in our conservative revenue elasticity assumptions.

DCF Cross-Check

A conservative DCF model (12% cost of equity, 2% terminal growth, 5-year explicit forecast with 12–8% earnings growth tapering) yields an intrinsic equity value of approximately S\$0.61 per share. This provides a 33% margin of safety above our S\$0.46 target price, offering comfort that the target is achievable even under moderately adverse conditions.

Upside / Downside Scenarios

Scenario	TP	P/E Implied	Key Assumptions
Bull Case	S\$0.55	12.6× FY2025A	Gold > US\$5,500; FY2026E beats; further dividend raises
Base Case	S\$0.46	10.6× FY2025A	Moderate growth; gold stable ~US\$4,500–5,000; margin stable
Bear Case	S\$0.26	6.0× FY2025A	Gold correction to <US\$3,500; consumer slowdown; margin compression to ~6%; working capital squeeze

Catalysts & Risks

Catalysts

Earnings Momentum into FY2026. Management's bullish 1H2026 guidance suggests potential upside to consensus. Any earnings surprise in the upcoming 1H2026 results would be a direct re-rating trigger.

Sustained Gold Price Tailwinds. With J.P. Morgan forecasting US\$6,300/oz by year-end 2026 and Goldman Sachs targeting US\$5,400/oz, the macro environment remains exceptionally supportive.

Dividend Upgrade Potential. The conservative 27.6% payout ratio leaves substantial room for further dividend increases, attracting yield-seeking SGX investors.

BigFundr Scaling. The secured lending platform's 92% revenue growth trajectory could position it as a meaningful fourth earnings pillar by FY2027.

Enhanced Visibility. Continued SGX GEMS research coverage and potential Mainboard transfer could draw new institutional investors and reduce the valuation discount.

Malaysia Expansion. With overseas revenue growing 82% YoY, Malaysia's contribution could reach 15%+ by FY2027 if current momentum persists.

Equity Base Strengthening. Management's stated intent to explore options to strengthen the equity base could catalyse a de-gearing event, improving the risk profile and potentially attracting more conservative institutional investors.

Key Risks

Gold Price Correction. A sharp decline in gold prices (below US\$3,500/oz) would compress pawn collateral values, reduce jewellery demand, and pressure inventory margins. Mitigant: the business structurally hedges a portion of its portfolio, and pawnbroking demand is countercyclical.

Leverage Sensitivity. Net gearing of 2.25× exposes the group to interest rate increases or refinancing risk. Mitigant: finance costs declined 5.4% YoY in FY2025 despite higher borrowings, and the group recently refinanced MTNs at lower coupons (5.10% replacing 6.25%).

Negative Operating Cash Flow. Despite record profits, operating cash flow was negative S\$7.8 million in FY2025, driven by working capital absorption (particularly the S\$296.9 million BigFundr agency receivables). While these are largely non-recourse pass-through positions matched by corresponding payables, continued rapid growth in the secured lending book could strain working capital. Mitigant: operating cash flows before working capital changes were a healthy S\$181.8 million, and the BigFundr receivables are asset-backed.

Hedging Programme Costs. The group's commodity hedging programme incurred an S\$8.0 million loss in FY2025 and may continue to generate losses as long as gold prices rise. While prudent as risk management, the ongoing cost to earnings (representing ~8% of PBT) should be monitored.

Concentrated Ownership / Low Free Float. At 15.7%, the free float is relatively thin (though improved from 11.7% at initiation), potentially limiting institutional participation and contributing to share price volatility.

Macro / Consumer Risk. Economic downturn could suppress retail jewellery demand. Mitigant: pawnbroking demand typically rises during recessions, providing a natural hedge.

Competitive Intensity. MoneyMax and ValueMax are also expanding aggressively; increased competition in Malaysia or digital channels could pressure margins. MoneyMax's upcoming Mainboard transfer and S\$500M MTN programme will provide it with enhanced capital access and visibility.

Regulatory Risk. Changes to pawnbroking regulations, lending rate caps, or AML/KYC requirements could raise compliance costs.

Dividend and Balance Sheet Commentary

Dividend Track Record

Year	DPS (cents)	Payout Ratio	Yield at Year-End
FY2022	0.70	~50%	~3.2%
FY2023	0.80	~44%	~3.9%
FY2024	0.78	34.8%	~3.8%

Year	DPS (cents)	Payout Ratio	Yield at Year-End
FY2025	1.20	27.6%	3.2% (at S\$0.380)

The FY2025 total dividend of 1.20 cents per share (first interim 0.40 cents + second interim 0.80 cents) represents a 54% increase over FY2024. The declining payout ratio (from ~50% to ~28%) alongside rising absolute DPS reflects earnings growth outpacing distribution growth, providing a significant buffer for future dividend increases. Total FY2025 dividends amount to approximately S\$22.2 million.

Strengthened Balance Sheet

Total assets expanded 28.9% to S\$1,599.3 million at 31 December 2025. However, a significant portion of the asset growth relates to the BigFundr secured lending receivables of S\$296.9 million held as agent/nominee for third-party investors, with a corresponding liability of S\$288.5 million. **On an adjusted basis excluding these agency positions, total assets would be approximately S\$1,302 million and total liabilities approximately S\$994 million**, providing a more representative view of the group's proprietary balance sheet.

Cash and bank balances more than doubled to S\$86.5 million from S\$42.7 million.

Total borrowings (interest-bearing loans + MTNs) stood at S\$764.5 million, up from S\$631.1 million, primarily funding the growing pawn loan book and working capital for retail operations. Net gearing of 2.25x is elevated but structurally inherent to the pawn/lending business model and sits between ValueMax (1.41x) and MoneyMax (3.08x). The group successfully issued S\$58.5 million of new Medium-Term Notes and raised S\$28.7 million from term loans during FY2025, while redeeming S\$21.0 million of maturing MTNs. Management has indicated intent to explore options to strengthen the equity base to support future growth.

ESG and Strategic Commentary

Aspial LS contributes to the circular economy through its pre-owned jewellery resale and precious metals recycling operations, extending product lifecycles and reducing reliance on primary mining. The pawnbroking business provides accessible micro-financing to the underbanked, offering a regulated, transparent alternative to unregulated moneylenders.

Governance is broadly sound under the stewardship of the Koh family (via Aspial Corporation), with independent directors providing oversight. The share buyback programme executed in August–September 2025 (5.4 million shares repurchased at an aggregate cost of S\$1.0 million) reinforces management's alignment with minority shareholders. Ongoing cybersecurity vigilance remains important following the 2024 Goldheart breach.

Recommendation

We raise our target price to **S\$0.46** (from S\$0.30), implying approximately 21% upside from the current share price of S\$0.380, and reiterate our **BUY** rating. Our TP is underpinned by a blended valuation of 10.0× FY2025A P/E, 8.5× FY2026E P/E, and 2.8× P/B, cross-checked by DCF analysis yielding S\$0.61. At our target, Aspial LS would trade at 10.6× FY2025A earnings — still below ValueMax's 11.1× and MoneyMax's 11.3×, reflecting a warranted discount for the lower net margin and thinner free float, but materially less than the current 22–23% discount that we view as excessive.

FY2025's record results confirmed that Aspial LS has transitioned from post-merger execution into a genuine earnings compounder. With gold prices forecast to remain elevated, a growing pawn book, accelerating Malaysian operations, and a bullish management outlook for 1H2026, the earnings growth runway remains substantial. The peer group now trades at 9–11× 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. Aspial Lifestyle's position as the cheapest stock in the group, despite delivering the highest revenue and the fastest growth, is an anomaly that should correct as the market recognises the sustainability and quality of this earnings trajectory.

For investors seeking growth, income, and asset-backed resilience in a single SGX-listed opportunity, Aspial LS remains a compelling accumulation candidate. The gold rush is far from over.

Rating: BUY | Target Price: S\$0.46 | Upside: ~21%

Appendix: Financial Summary

Income Statement (S\$'000)

	FY2025	FY2024	YoY (%)
Revenue	830,083	587,559	+41.3%
Material Costs	(527,967)	(372,390)	+41.8%
Gross Profit	302,116	215,169	+40.4%
Employee Benefits Expenses	(81,063)	(64,627)	+25.4%
Depreciation & Amortisation	(38,213)	(35,040)	+9.1%
Finance Costs	(32,656)	(34,519)	-5.4%
Other Operating Expenses	(69,108)	(46,100)	+49.9%
Interest Income	134	232	-42.2%
Rental Income	3,237	3,430	-5.6%
Other Income	18,053	6,587	+174.1%
Share of Results of Associate	7	98	-92.9%
Profit Before Tax	102,507	45,230	+126.7%
Income Tax Expense	(18,145)	(10,427)	+74.1%
Profit for the Year	84,362	34,803	+142.4%
PATMI	80,717	34,326	+135.2%
NCI	3,645	477	+664.4%
Basic EPS (cents)	4.35	2.24	+94.2%
Diluted EPS (cents)	4.35	2.24	+94.2%
DPS (cents)	1.20	0.78	+53.8%

Balance Sheet (S\$'000)

	31 Dec 2025	31 Dec 2024
Non-Current Assets	273,749	264,963
Current Assets	1,325,508	975,436
Total Assets	1,599,257	1,240,399
Current Liabilities	982,162	766,916
Non-Current Liabilities	300,781	221,203
Total Liabilities	1,282,943	988,119
Net Assets	316,314	252,280
Equity (Parent)	301,023	240,362
NCI	15,291	11,918
NAV/Share (cents)	16.26	12.95

Borrowings Breakdown (S\$'000)

	31 Dec 2025	31 Dec 2024
Current — Interest-bearing loans (secured)	530,835	468,388
Current — Medium-Term Notes (unsecured)	—	21,000
Non-Current — Interest-bearing loans (secured)	107,212	72,411
Non-Current — Medium-Term Notes (unsecured)	126,469	69,350
Total Borrowings	764,516	631,149

Cash Flow Summary (S\$'000)

	FY2025	FY2024
Operating Cash Flow (before WC)	181,819	118,158
Net Cash Used in Operations	(7,815)	(46,081)
Net Cash Used in Investing	(31,149)	(810)
Net Cash from Financing	82,097	56,927
Net Change in Cash	43,133	10,036

EBITDA Reconciliation (S\$'000)

	FY2025	FY2024
Profit Before Tax	102,507	45,230
+ Depreciation & Amortisation	38,213	35,040
+ Finance Costs	32,656	34,519
– Interest Income	(134)	(232)
EBITDA	173,242	114,557
EBITDA Margin	20.9%	19.5%

Analyst Certification and Disclaimer

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