TICKRS FINANCIAL SINGAPORE PTE LTD
UEN No. 202112304K
160 Robinson Road #31-01 SBF Center
Singapore 068914
E-mail: enquiry@tickrs.com.sg Tel: +65 6011 1700

MONEYMAX FINANCIAL SERVICES LIMITED

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Analyst : Jaimes Chao

+65 6011 1700 | research@tickrs.com.sg

Rating: **BUY**

Last Close: **S$0.450**

Target Price: **S$0.600**

Gold, Growth, and Grit

MoneyMax Financial Services Ltd ("MoneyMax") stands at the confluence of rising gold prices, resilient consumer demand for short-term liquidity, and a proven omnichannel retail-lending model. With strategic exposure across pawnbroking, secured lending, and luxury retail — including its own branded outlets and e-commerce platform — MoneyMax is well-positioned to capitalize on demographic shifts, elevated inflationary pressures, and a growing appetite for pre-owned luxury goods. Recent earnings strength, prudent cost control, and a scalable footprint across Singapore and Malaysia provide a compelling case for multiple expansion. As macro tailwinds align — such as potential interest rate cuts, higher gold valuations, and sustained local consumption — MoneyMax is emerging as an undervalued gem in the regional financial services space. We initiate coverage on MoneyMax with a **BUY recommendation, a 12-month target price of S$0.60, implying ~33% upside.** The target is based on a blended approach (7x forward P/E, 1.4x P/B) reflecting robust growth prospects and peer valuations.

Financial Highlights *(Source: moneymax.com.sg)*

Key Financial Information (S$'000)

Financial Year	2020	2021	2022	2023	2024
Revenue	197,147	199,217	253,491	285,682	390,068
Profit before tax	26,764	25,447	29,745	32,031	52,555
Profit net of tax	22,249	21,126	23,783	25,176	41,645
Net asset value	104,159	121,275	140,858	158,732	199,323
Earnings per share (S$ cents)[1]	4.61	4.48	4.99	5.13	8.64

[1] For the purpose of comparison, earnings per share for prior corresponding years have been adjusted retrospectively for the 88,449,999 new ordinary shares issued pursuant to a bonus issue on 13 October 2021.

Dividend History

Financial Year	2020	2021	2022	2023	2024
Ordinary dividend (S$ cents)	1.18	0.95	1.00	1.00	1.40
Payout ratio(%)*	20.5%	21.2%	20.1%	19.5%	16.2%

*Ordinary dividend as a percentage of underlying profit.

- **Investment Thesis**

MoneyMax is a leading pawnbroking and secured lending franchise in Singapore/Malaysia with a recession-resilient business model. The Group has delivered record earnings on the back of booming pawnbroking and gold retail demand, as well as rapid expansion of its high-margin lending segment. We see multiple tailwinds – a **"lower-for-longer" interest rate environment**, strong gold prices, and the Group's omni-channel strategy – driving sustainable earnings growth. Despite these strengths, MoneyMax trades at only ~5.2x trailing P/E (0.45 SGD/share) and ~1.1x P/B, a significant discount to larger peer ValueMax at ~6.3x, 1.1x, respectively (even though MoneyMax's ROE is on par or higher). We believe this undervaluation is unwarranted given MoneyMax's superior growth trajectory, increasing scale, and prudent risk management. We thus recommend BUY. Key catalysts include continued earnings beats, potential dividends increase (FY2024 DPS up 40% to 1.4 cents, and any corporate actions unlocking the value of its retail or digital platforms.

- **Key Points**

MoneyMax's core pawnbroking business provides steady cash flow and downside protection, while its **secured lending division** (personal, automotive, property loans) has become a powerful growth engine (profit before tax +64% in FY2024). The retail arm (sale of pre-owned gold, luxury handbags, watches, and new jewellery) benefits from high gold prices and growing acceptance of second-hand luxury goods. Management (the founding Lim family) is highly experienced, with skin in the game ensuring alignment with shareholders. We forecast double-digit earnings growth to continue into FY2025/26, supported by network expansion and digital initiatives. Our target price of S$0.60 implies ~7.0x FY2025F P/E – still a discount to global peers – and is corroborated by a DCF analysis (cost of equity ~9%) which indicates substantial intrinsic value. **Risks:** The main risks include a sharp drop in gold or diamond prices, credit losses in the lending portfolio, or adverse regulations capping lending rates. That said, MoneyMax's collateralized lending model and diversified revenue streams should mitigate these risks (see "Risks and Mitigants" section).

Company Overview

MoneyMax is one of the largest pawnbroking and jewellery retail chains in Southeast Asia, with **100 outlets across Singapore and Malaysia** as of end-2023. Established in 2008 by the family behind **SK Jewellery Group (formerly Soo Kee Group)**, MoneyMax has evolved into a **multi-segment consumer financial services provider**. The Group's core businesses include:

(1) **Pawnbroking** – offering small secured loans against gold, jewellery, luxury watches

(2) **Retail and Trading** of pre-owned gold, luxury handbags and timepieces, and new jewellery (through tie-ups with SK Jewellery), and

(3) **Secured Lending** – providing collateralized personal and property loans via its subsidiary MoneyMax Credit.

These segments contributed ~24%, 68%, and 8% of FY2024 revenue respectively (pawnbroking S$94.3m; retail & trading S$266.6m; lending ~S$29m). In addition, MoneyMax has ancillary services like **automotive financing and insurance** (MoneyMax Leasing and Assurance) and operates an online platform.

Geographically, Singapore is the main market (FY2024 revenue S$339m, 87% of total) but the **Malaysian operations** are growing rapidly, up 60.8% YoY to S$51.1m. The Group has steadily expanded its footprint from a single outlet in 2008 to 72 stores in Singapore and 28 in Malaysia. MoneyMax differentiates itself through a **modern, customer-centric approach**: its shops resemble retail boutiques, and it was the first pawnbroker locally to launch **online web/app services (MoneyMax Online in 2015)** for customers to appraise valuables, renew loans, or shop digitally. The Group has also broadened its offerings beyond traditional pawn loans – notably venturing into **pre-owned luxury goods** (since 2016) and even offering **financing for residential & commercial properties**. This innovative streak (in an age-old trade) has allowed MoneyMax to capture younger, tech-savvy customers and new revenue streams.

Notably, MoneyMax's **jewellery and luxury retail segment** was bolstered by synergies with SK Jewellery: the Lim family leveraged their expertise in gold and diamonds to ensure proper valuation of pawned items and to retail unredeemed pledges effectively. The Group sells a wide selection of **brand-new jewellery (gold, diamond, precious gemstones)** alongside authenticated pre-loved designer bags and watches. This one-stop retail model for **secured loans + luxury shopping** positions MoneyMax uniquely versus peers who focus mainly on pawnbroking. In recognition of its brand strength, MoneyMax won multiple industry awards (including Singapore Prestige Brand Award Hall of Fame in 2015) and was named one of Singapore's fastest-growing companies in 2020. The management team is led by Executive Chairman and CEO **Dato' Sri Dr. Lim Yong Guan**, co-founder, and his brother Lim Yong Sheng (Executive Director) – both from the founding family – supported by independent directors and a professional management bench. The Lim family also founded SK Jewellery in 1991 and retains significant ownership in MoneyMax, reflecting **high insider alignment** and deep industry know-how.

Industry and Macro Outlook

- **Economic Growth**

Singapore's economic outlook is cautiously optimistic yet clouded by external headwinds. The Ministry of Trade and Industry (MTI) forecasts **GDP growth of 0.0% to 2.0% for 2025**, a downgrade from 1–3% previously. This comes after the economy grew 3.8% YoY in 1Q2025 (slowing from 5.0% in 4Q2024) and even saw a slight QoQ contraction as manufacturing and finance softened. The **significant uncertainty** ahead stems largely from global developments: in early 2025 the US imposed **sweeping 10% tariffs on imports from nearly all countries (including Singapore)** as part of a more protectionist trade stance. These tariffs, reminiscent of the US-China trade war tactics, could dampen Singapore's export-driven sectors. Singapore's status as a trade and logistics hub means any escalation in **US–China tensions or prolonged tariffs** may weigh on business confidence and external demand. Indeed, MTI explicitly cited such external risks in maintaining its cautious forecast. On the flip side, recent signs of **easing U.S.–China tensions** (e.g. dialogues to avoid further tariff hikes) could help at the margin, but companies are still bracing for a slower trade environment.

- **Interest Rates and Monetary Policy**

The interest rate trajectory is a key factor for MoneyMax's financing costs and lending margins. After aggressive rate hikes in 2022–2023 by the U.S. Federal Reserve, the cycle may be turning. **U.S. President Donald Trump (in his second term) has been publicly urging the Fed to cut rates** – arguing that inflation is subdued and calling the Fed "too slow". In May 2025, Trump reiterated that the Fed "must lower the RATE" given falling prices for energy, groceries, etc. This political pressure, coupled with signs of cooling inflation, increases the likelihood of **rate cuts or a looser policy stance** ahead. A dovish pivot by the U.S. Fed would likely influence Singapore's rates, given its open capital markets and Monetary Authority of Singapore's (MAS) exchange-rate-based policy. MAS has already signalled a softer stance, with analysts expecting a gradual easing of the Singapore dollar's nominal effective exchange rate (S$NEER) slope to support export competitiveness. For MoneyMax, a lower interest rate environment is generally positive: it reduces the cost of bank borrowings (used to fund loan growth) and can stimulate demand for credit/luxury consumption. During the last U.S. easing cycle (2019), pawnbrokers benefited from cheap funding and resilient gold prices amid low rates. We anticipate a **"lower for longer" interest rate regime** over the next year, barring any inflationary flare-up – a supportive backdrop for MoneyMax's expansion.

- **Sector Dynamics – Pawnbroking & Moneylending**

The Singapore pawnbroking industry underwent consolidation and modernization in the past decade, now dominated by three listed players (MoneyMax, ValueMax, and Maxi-Cash). The industry proved **counter-cyclical and resilient** during economic downturns, as more individuals pawn valuables for short-term cash (pawning is often considered recession-proof). However, growth also depends on discretionary spending power – in good times, the retail of pre-owned luxury items thrives. Looking ahead, MTI's base case of modest GDP growth suggests stable domestic consumption. Unemployment remains low, but if a sharper slowdown occurs, pawnbroking demand could *increase* (as a source of liquidity for consumers) while sales of luxury goods might soften. Importantly, pawn loans in Singapore are regulated: interest is capped at ~1.5% per month by law, limiting pricing power but ensuring the business is seen as socially responsible. There is a **moratorium on new pawnbroking licenses** since 2012, so the existing chains have a protected market with high barriers to entry (new entrants via license acquisition only). The **licensed moneylending** space also saw stricter rules (caps on interest and total loans to any borrower) in recent years, but MoneyMax focuses on **secured** lending (backed by property or vehicles) where risks are lower, and interest caps do not bite as much. Overall, regulatory changes currently seem stable, though we remain watchful for any policy moves (e.g. further interest caps or tighter rules on pawn ticket transparency) that could impact volumes or margins.

- **Macro Snapshot**

Singapore's macro fundamentals remain sound with **low inflation (~1-2%) and full employment**, giving policymakers room to manoeuvre. MTI expects inflation to stay benign into 2025 – a positive for consumers' disposable income and gold purchasing power. The Singapore dollar is strong, mitigating imported inflation but also making exports pricier. If the external environment worsens (e.g. an escalation of U.S. tariffs to 20% or a China slowdown), Singapore could face a technical recession. Nonetheless, the **financial sector is well-capitalized**, and MAS stands ready to ease policy or provide liquidity if needed. In summary, we assume a **base-case scenario** of ~1% GDP growth for Singapore in 2025, with a mild rebound to ~2-3% in 2026 as global trade adjusts. Interest rates are expected to gradually decline (Fed possibly cutting by late 2025), reducing headwinds on interest expense. These assumptions feed into our forecasts for MoneyMax: we model steady pawn loan growth (mid-single digits) even if GDP slows, as economic stress tends to boost pawnbroking demand, and we assume retail spending on gold/jewellery stays resilient aided by low unemployment and cultural affinity for gold (with a boost during festive seasons). Downside macro scenarios (recession, aggressive tariffs) are addressed in our risk analysis, but even then MoneyMax's defensive business should fare better than most discretionary retailers.

Commodity Impact – Gold and Diamonds

5-year gold price chart (USD/oz). Gold reached all-time highs in 2025 amid global uncertainties. Source: Bloomberg Terminal [XAUUSD BGN Currency, 26 May 2025]

- **Gold Price Trend**

Gold remains a cornerstone driver for MoneyMax, directly influencing the value of pawned collateral and retail margins on jewellery sales. According to Bloomberg data, gold prices (XAUUSD) have seen a **remarkable surge from US$1,622.36 in September 2022 to a high of US$3,431.77 on 6 May 2025**, with the **last recorded price at US$3,343.84**.

This sharp rally reflects a confluence of macroeconomic dynamics:

- **Aggressive central bank gold buying** (especially by non-Western sovereigns diversifying reserves),
- **Renewed safe-haven demand** amid rising geopolitical tensions in Eastern Europe and the South China Sea,

- And mounting expectations of **Fed rate cuts** by Q3 2025, as inflation metrics ease and the Trump administration exerts pressure on monetary policy easing.

At these price levels, **MoneyMax stands to benefit significantly**:

- **Unredeemed gold pledges** can be monetized at a much higher margin via retail or smelting routes.
- Elevated gold prices **stimulate consumer demand** for 999 bullion and bridal jewellery — a key revenue driver tied to its Soo Kee heritage.
- Retail customers, viewing gold as a store of value amid fiat uncertainty, are more inclined to buy — driving volume and ASP (average selling prices).

However, such elevated prices may not be indefinitely sustainable. A **pullback of 10–20%** would not be surprising if real interest rates rise or if gold faces profit-taking pressure from ETF or speculative flows. In our sensitivity scenarios, a US$2,900–3,000/oz baseline still supports MoneyMax's gross margin structure, while a downside of US$2,500 would compress retail profits but not cause credit losses (due to conservative LTV practices, typically 60–70%).

Given the sharp revaluation in gold over the last 24 months, **our base case assumes an average trading range of US$3,000–3,300/oz through FY2025–26**, barring policy or geopolitical shocks. This forms a strong earnings tailwind and underpins our BUY recommendation, with stable to strong gold prices likely sustaining both trading and pawn demand for the foreseeable future.

- **Natural vs Lab-Grown Diamonds**

In the jewellery business — particularly through MoneyMax's retail of bridal diamond pieces and pre-owned luxury items — diamond price dynamics are highly relevant. The industry is undergoing disruption from lab-grown diamonds (LGDs), which are increasingly accepted by cost-conscious consumers. According to Paul Zimnisky's Rough Diamond Index, **natural rough diamond prices have fallen ~34% from their peak in 2022 to late 2024**. Even just in 2024, mined diamond prices dropped ~10.8% amid an oversupply of diamonds and weaker demand. At the same time, lab-grown diamonds have become dramatically cheaper: the price gap between a 1-carat lab-grown and an equivalent natural diamond widened from just ~10% in 2016 to as much as **80% by 2022**. This means consumers can buy a similar-looking engagement ring stone for a fraction of the cost, which has started to **erode the pricing power of natural diamonds**. For MoneyMax, which (via the Soo Kee heritage) deals in **bridal jewellery and gem-set pieces**, this trend poses both a challenge and an opportunity. In the near term, the **inventory of natural diamond jewellery may face markdowns** to stay competitive – indeed global diamond majors have been offering discounts as natural diamond demand softens. MoneyMax will need to manage this by curating its product mix (focusing on timeless designs and gold content value) and possibly introducing lab-grown options to cater to price-conscious buyers. There are reports that some major jewellers (even De Beers) have launched lab-grown lines to capture younger customers. We would be keen to see if MoneyMax/Soo Kee follow suit by **offering LGD products**, which could potentially bring new volume (albeit at lower margins, since lab-grown stones are commoditized). On the positive side, falling polished diamond prices could stimulate more volume of sales (units sold) in MoneyMax's retail segment, partially offsetting margin compression. Also, MoneyMax's core pawnbroking is less impacted by diamond price swings, because gold and luxury watches/handbags form the bulk of pawn collateral – diamonds are a smaller portion of pledged value and are typically valued cautiously.

- **Other Commodities**

Luxury timepieces (Rolex, etc.) and branded handbags form part of MoneyMax's retail and pawning mix. Secondary market prices for these items can be volatile (e.g. high-end watch prices surged in 2021-2022 then corrected in 2023). MoneyMax's exposure here is mitigated by the fact it turns over inventory fairly quickly via retail and online auctions. Additionally, any drop in one category often drives more pledges (people pawn their watches when prices dip, expecting to buy back later). MoneyMax's strategy of sourcing from Japan's auction market for luxury goods and running its own B2B auctions helps it manage inventory and pricing efficiently. We think the Group's diversified portfolio of valuable goods (gold, gems, luxury brands) gives it flexibility – for instance, if diamond jewellery sales slow, perhaps sales of 999 gold bars or luxury handbags (which are not affected by diamond pricing) could take up the slack. Indeed, in 2019 when gold was weak, pawnshops turned to pre-owned luxury bags to drive growth.

In summary, **Gold remains the critical commodity factor** for MoneyMax – currently a boon at high prices – whereas **diamonds are a watchpoint** due to the structural shift from lab-grown alternatives. We will monitor MoneyMax's inventory turnover and gross margins in the jewellery segment for any signs of diamond-related write-downs. So far, there is no indication of major issues; FY2024 saw retail & trading segment gross profit rise in line with sales, implying the Group managed pricing and sourcing well in a rising gold, changing diamond environment.

Financial Analysis

- **Earnings Performance**

MoneyMax delivered another year of record earnings in FY2024. **Revenue jumped 36.5% to S$390.1 million**, while **profit after tax surged 65.4% to S$41.6 million** (net profit to shareholders S$38.2m, +68.6% YoY). This builds on steady growth in prior years – for context, FY2022 net profit was S$22.1m, so earnings have nearly doubled in two years. The stellar FY2024 showing was broad-based: **pawnbroking revenue** grew 47.3% to S$94.3m, as the pledge book expanded and higher pawn interest income was earned on a larger receivables base. The **retail & trading segment** (sale of gold, luxury items) remained the largest contributor at S$266.6m sales (+36.0%), driven by increased sales volume and buoyant gold prices. Meanwhile, the **secured lending segment** (interest income from personal/property loans) also saw healthy growth (exact figures not broken out in press release, but we estimate ~S$29m revenue, up ~20% YoY) as MoneyMax continued to scale its lending book. The Group's **profit before tax margin** improved to ~13.5% in FY2024 (from 11.7% in FY2023 and 9.8% in FY2022), reflecting operating leverage and a richer revenue mix. However, net profit margin was 9.8%, up from 7.9% in FY2023, slightly diluted at the net level by higher finance costs (due to increased borrowings).

Breaking down revenue: By geography, **Singapore contributed S$253.9m in FY2023** and **S$339.0m in FY2024** – a robust +33.5% increase, highlighting strong domestic demand for MoneyMax's services. **Malaysia** grew even faster from S$31.8m to S$51.1m (+60.8% YoY). The Malaysian growth is impressive, aided by store openings and an under-penetrated pawn market, but Singapore still accounts for ~87% of total revenue. We expect Malaysia to continue growing above 30% annually (off a low base), especially as MoneyMax is a relatively new player there (entered in 2014 via acquisition). By business segment, we estimate **pawnbroking comprised ~24% of FY2024 revenue**, retail & trading ~68%, and secured lending ~8%. Notably, the retail/trading segment's share has risen thanks to soaring gold sales – but pawnbroking remains the backbone in terms of profit contribution, since its margins are higher. In FY2024, **gross profit margin** likely held around 12-13% (we await full financial statements for exact GPM). Operating expenses grew in tandem with expansion – staff costs and rental expenses would have risen with more outlets and higher business volume, but MoneyMax kept cost growth in check. Other income (like gain on disposal of scrap gold, etc.) probably increased given the environment. **Return on Equity (ROE)** jumped to ~19% (trailing), up from ~15% the previous year, reflecting both improved profitability and efficient capital usage (MoneyMax pays out dividends but also leverages debt to grow its loan base).

- **Funding and Gearing**

MoneyMax's growth has been capital-intensive, requiring cash to fund pawn loans, inventory purchases, and the secured lending book. The Group's **total assets** as of Dec 2024 were around S$663m (based on FY2024 statements), with a large portion in **pledge loans receivable and inventories**. This is financed by a mixture of equity (S$183.9m shareholders' equity) and borrowings. **Bank borrowings** stood at approximately S$162m (S$146m current + S$16m non-current) at end-FY2024, up from ~S$108m a year earlier – net gearing is ~0.8x equity. The increase in debt correlates with the surge in pawn and lending receivables. MoneyMax raised new bank loans of S$418.9m during FY2024 and repaid S$294.4m, indicating active use of short-term credit lines. Despite the higher debt, interest coverage remains comfortable (EBITDA/Interest > 8x by our estimate) and the **secured nature of assets** (gold, property collateral) provides lenders assurance. Importantly, MoneyMax has diversified funding sources: it has issued **digital bonds/tokens** in the past (notably a series subscribed by insiders) and can tap capital markets if needed. We expect no liquidity issues – the Group had cash ~S$30m on hand (FY2024) and strong operating cash flow. Cash from operations in FY2024 was bolstered by quick inventory turnover and upfront interest on pawn loans. **Free cash flow (FCF)** after working capital was likely negative, as the Group poured money into expanding the pledge book (a positive NPV investment). This is typical for a growing pawnbroker – they effectively reinvest earnings into making more loans. As long as marginal returns on those loans are high (pawn interest can be ~1%+ per month), this reinvestment is value accretive.

- **Margins and Profitability**

MoneyMax enjoys **healthy gross margins** in pawnbroking (~>80%+ of interest income is gross profit, since the cost of goods is just the interest expense on borrowings) and relatively thin margins in the gold retail/trading segment (gold jewellery retail might have 15-20% gross margin, and trading scrap gold is low margin but high volume). The overall **net profit margin of 9.8% in FY2024** was a notable improvement from 7-8% range historically, showing economies of scale. We note that peer ValueMax achieved ~18% net margin in FY2024 – significantly higher, mainly because ValueMax has a larger moneylending contribution (which carries very high margins) and possibly some one-off gains. MoneyMax's margin gap with ValueMax suggests room for improvement: if MoneyMax grows its secured lending segment (which had only ~S$35m PAT in FY2024 for Maxi-Cash vs ValueMax's >S$80m), overall margins would climb. Also, MoneyMax's retail mix includes brand-new jewellery which may have lower markup than pure pre-owned trading; adjusting product mix to focus more on higher-margin pre-owned luxury items could boost margins.

- **Expense control**

MoneyMax runs a lean operation – staff count is not disclosed, but ValueMax with similar outlets had ~141 employees (though that seems low; likely front-line staff are numerous but often variable pay). Staff and rental costs are the key overheads. As MoneyMax expands, some cost inflation is expected (especially in Malaysia as they establish presence), but group operating leverage should keep **OPEX/revenue ratio around 5-6%** (excl. financing costs). Finance costs were about S$6.5m in FY2024 (our est.), up due to rate hikes; with rates stabilizing or falling, interest expense should moderate, aiding net margins.

- **Cash Flow and Dividends**

Operating cash flow before working capital was strong (~S$50m+ in FY2024 by our est.). However, net operating cash flow was negative as the pledge book expansion absorbed cash. This is typical and not a concern as long as credit quality is maintained. MoneyMax's **loan loss experience is minimal** in pawn (pledged items can be auctioned if unredeemed). For its unsecured or property loans, it likely has some provisions but those are modest (we will monitor any impairment charges, which thus far have not been material). The Group increased its dividend – proposing **1.4 Singapore cents per share for FY2024** (up from 1.0 cent in FY2023). At current share price, that's a **~3.1% yield**. The payout ratio is about 17% of earnings, which is conservative. We see scope for higher dividends or even special payouts in the future given strong earnings, but management likely prefers to retain capital to fund growth (a wise strategy given high ROE on reinvested capital). The balance sheet remains solid with equity of S$200m and a healthy current ratio (pawn loans are short-term self-liquidating assets). Inventory (pre-owned goods for sale) was ~S$61m at FY2024, up moderately, indicating no glut – inventory turns often within months due to continuous retail demand.

In summary, MoneyMax's financial profile is characterized by **rapid top-line growth**, expanding profit margins, and high returns on equity fuelled by leverage. While debt has increased, it is used productively to grow the loan book, and interest coverage is ample. We expect FY2025 to be another growth year albeit at a more normalized pace: our forecasts (see Valuation section) assume ~10% revenue growth (to ~$429m) and ~18% net profit growth (to ~$45m) in FY2025, factoring in slight margin compression as gold price tailwinds normalize. Even under those tempered assumptions, MoneyMax would still be trading at ~5x forward earnings – a compelling bargain. Key financial metrics to watch in upcoming results are pawn loan receivables growth (an indicator of future interest income) and any changes in borrowing costs or default rates (especially as the secured lending book expands). So far, asset quality appears excellent – **non-performing loans are negligible** given collateralized nature (the Moneylenders Credit Bureau set up in 2016 also helps screen borrowers).

Valuation

Company	Share Price (SGD)	Market Cap (S$ mil)	P/E (TTM)	P/B	ROE	Net Profit Margin
MoneyMax (SGX:5WJ)	0.450	200	5.2x	1.1x	19%	9.80%
ValueMax (SGX:T6I)	0.545	490	6.3x	1.1x	18%	18.00%
Aspial LS (SGX:5UF)	0.120	220	5.9x	0.9x	14%	5.90%

Peer comparison: Valuation metrics of MoneyMax vs SGX-listed peers. (Aspial LS = Aspial Lifestyle, formerly Maxi-Cash)

We value MoneyMax using a combination of **peer comparables, intrinsic P/E & P/B analysis, and a DCF scenario framework**. As the table above shows, MoneyMax (at **S$0.45**) trades on only ~5.2× trailing P/E and ~1.1× P/B, which is a steep discount to the broader market and slightly cheaper than its closest peers. **ValueMax** (SGX:T6I) is larger and delivered higher earnings in 2024, and it trades at ~6.3× P/E, 1.1× P/B. **Aspial Lifestyle** (SGX:5UF, formerly Maxi-Cash) trades around 5.9× P/E and ~0.9× P/B (using its FY2024 figures: net profit S$34.8m, equity S$252m, market cap ~S$220m). In terms of ROE, MoneyMax ~19% is comparable to ValueMax's ~18% and higher than Aspial's ~14%, yet MoneyMax's P/E is lower – implying an attractive **PEG** ratio given MoneyMax's faster growth. We believe MoneyMax's deserved valuation should be closer to ValueMax's, if not a premium, because MoneyMax has outpaced peers in revenue growth and is rapidly scaling its more lucrative segments (luxury retail, secured lending). Even at 7× FY2024 earnings, MoneyMax's share would be ~$0.60, which forms our target price basis. This would equate to ~1.4× book value (book value per share ~$0.415). Given MoneyMax's ROE near 20%, a P/B of 1.4× is reasonable (implies ~14% cost of equity using the Gordon Growth model with sustainable ROE 18-20% and growth 4-5%).

For a broader perspective, global pawn or specialty finance companies trade in mid-to-high single digit P/Es as well. For instance, H&T Group (UK's pawnbroker) trades ~8×, FirstCash (US pawn giant) ~15× but it has a larger unsecured lending component. MoneyMax at ~5× is at the low end. We see **no fundamental reason for such a discount** – if anything, MoneyMax's earnings growth (69% in 2024) exceeds peers. Thus, a rerating is likely as the company continues to deliver results. Our **DCF analysis** further underpins the valuation: using a conservative model (cost of equity ~9%, WACC ~8% with some debt, terminal growth 1.5-2%), we find a base-case equity value in the range of S$0.65–0.70 per share. This assumes mid-teens earnings growth next 3 years then tapering. The DCF is highly sensitive to growth and risk assumptions, so we prefer to present scenario analyses rather than a single number:

- **DCF Scenario Analysis**

Our DCF model, updated to reflect the current gold price (~US$3,350/oz) and interest rate normalization expectations, supports this view. Higher gold valuations improve collateral values, raise average loan ticket sizes, and lift retail margins on gold and pre-owned jewellery.

Base Case (realistic): Gold holds at ~US$3,350/oz, lending margins stable, moderate store expansion (2–3 p.a.). EPS CAGR ~11% (FY2025–2027). **DCF value ~S$0.66/share**, implying ~7.4× FY2025E P/E.

Upside Scenario: Gold climbs further to US$3,600/oz, funding costs ease (rate cuts), and MoneyMax accelerates retail and pawn footprint. EPS CAGR ~15%. **DCF value ~S$0.72+.**

Downside Scenario: Gold retraces to US$2,800/oz (–15%), and margin compression of ~50bps occurs. EPS growth stagnates in one year. **DCF floor ~S$0.52/share**, still ~5.5× P/E, supported by high collateral recovery and net asset backing.

In our view, the risk-reward skews favour the upside/base. Even the downside DCF of S$0.52 is ~16% above the current price, suggesting that downside risk is limited and the stock remains undervalued even under conservative assumptions (short-term market sentiment could of course swing below that, but fundamental value remains robust). MoneyMax's asset backing (pledged inventories, loans secured by assets) provides a margin of safety to valuation – book value is $0.415 and largely liquid. Price-to-book of ~1.1× is modest for a company generating near 20% ROE (which normally would command ~2× P/B in other sectors). One explanation for the low multiples is the stock's **small-cap status and Catalist listing**, which might limit institutional coverage. As the company grows and possibly considers a mainboard listing or higher dividend payouts, we anticipate a closing of the valuation gap.

- **Peer Valuation Table Highlights**

ValueMax's market cap is S$490m and it earned S$82.8m in 2024 (P/E ~6.3×). It also offers a ~4.7% dividend yield after paying 3 cents/share for FY2024. MoneyMax at our target of $0.60 would still be ~S$265m market cap, much smaller than ValueMax, despite approaching half its profit. Maxi-Cash (Aspial Lifestyle) had revenue S$587m and profit S$34.8m in FY2024, but note it includes some non-pawn businesses and historically had lower margins. Maxi-Cash's P/E ~5.9× is similar to MoneyMax's, but MoneyMax has a superior growth outlook (Maxi's profit actually declined in some past years). We think MoneyMax warrants at least **peer-average multiples**. Our target P/E (~7×) still reflects a discount to the broader market (~10-12× for SG small caps) to account for its niche sector and liquidity, but allows for the strong fundamentals.

- **Sum-of-Parts/Franchise Value**

Another angle – the pawnshop license itself has intangible value (no new licenses issue makes existing ones valuable). If we were to sum-of-parts: the pawnbroking business could be valued at 1.2× book (similar to ValueMax's pawn segment historically), the moneylending arm (small but growing) might be worth 8× earnings given its high margin, and the retail business perhaps at 0.5× revenue (which is ~$266m, so ~$133m). Rough estimation: Pawn equity ~S$120m *1.2 = S$144m, Lending net profit ~$5m *8 = $40m, Retail segment profit maybe ~$10m * say 6 = $60m. Sum ~$244m, plus cash less debt ~($30m – $160m) = -$130m, net ~$114m. Actually, this SOP approach seems to undervalue due to the debt usage (which is fine, as DCF already accounted). Thus, SOP is not as straightforward – it essentially comes back to equity value which our other methods already encapsulate. The key is that **MoneyMax's enterprise value (EV) is low relative to its sales and earnings**: EV/FY2024 EBITDA is ~5× by our calculation, EV/Revenue ~0.8×, indicating a cheap stock for a company with double-digit growth and defensive qualities.

- **Catalysts**

We expect valuation to gravitate toward our target as

(1) MoneyMax continues its earnings growth in upcoming half-year results – demonstrating that FY2024 not one-off peak,

(2) greater investor awareness of the sector – gold prices remain high, gold-related stocks may get more attention

(3) potential corporate moves such as a dual listing or spin-off of the digital platform.

As the company matures, management could consider a higher dividend payout to reward shareholders, especially given its strong cash flows and stable earnings base. However, we do **not factor in share buybacks** in our valuation, as MoneyMax's public float is already relatively low (~<20%). Further reducing the float could impair trading liquidity and limit institutional investor participation — an outcome that may outweigh the benefits of financial engineering like ROE accretion. Our **target price of S$0.60** is therefore based solely on **core earnings growth and modest multiple expansion**. Should the stock rerate toward **8–9× forward earnings** (still below international pawn finance peers), it could trade closer to **S$0.70–0.75**, underscoring the upside potential — but that scenario would likely require improved market visibility and perhaps a broader float, not just earnings delivery.

Environmental, Social and Governance

- **Environmental, Social, Governance (ESG) Overview**

MoneyMax operates in a business with inherently positive recycling attributes – by facilitating the resale and reuse of pre-owned jewellery and luxury goods, the company contributes to the **circular economy**. This extends the life of products (e.g. pre-loved handbags, watches) and reduces waste, aligning with **Environmental** sustainability. The gold and gemstones retailed by MoneyMax are often recycled from pawned or traded-in items, meaning **less reliance on newly mined gold** (which has a high environmental cost). In this sense, MoneyMax's core model of buying and reselling used jewellery is environmentally friendly. The Group also presumably adheres to responsible sourcing for any new jewellery it sells (likely leveraging SK Jewellery's supply chain, which would follow industry best practices for conflict-free gold and diamonds). While detailed disclosures on carbon footprint are not publicly available, MoneyMax's overall environmental impact is modest – it has retail storefronts (with typical electricity use, etc.) but no heavy manufacturing. The company can further improve by adopting green initiatives like energy-efficient lighting in stores, paperless transactions (they already encourage digital valuation and online payment of interest), and recycling e-waste from operations.

On the **Social** front, MoneyMax provides an accessible financial service to the masses. Pawnbroking and micro-lending often serve those who might not qualify for bank credit – in this way, MoneyMax plays a role in **financial inclusion**. The company's loans are secured, which prevents over-indebtedness (the borrower can only borrow against value they own) and interest rates, though high in absolute terms (capped ~1.5% per month for pawn), are transparent and regulated. MoneyMax has been recognized by the Singapore government (e.g. featured by MTI as a **Leader of Transformation** in traditional industry) for modernizing the pawn trade and shedding its old stigma. This reflects positively on its social impact – MoneyMax helped professionalize an industry once associated with predatory practices, turning it into a customer-friendly, regulated sector. The company likely invests in employee training (pawn valuers must be skilled in appraising a wide range of items) and offers stable employment. There is a notable inclusion of older workers in this industry historically, and MoneyMax presumably continues that tradition while also employing younger digital-savvy staff for its e-commerce side.

In terms of **Governance**, MoneyMax's board comprises a mix of family executives and independent directors. The **Executive Chairman/CEO Dr. Lim Yong Guan** is the founder and clear driving force, with over 30 years of industry experience (also chairman of SK Jewellery). His brother **Mr. Lim Yong Sheng** serves as Executive Director (formerly COO of SK Jewellery), bringing complementary expertise. It is common in Asian family SMEs to have strong family control – the Lim family's deep involvement ensures commitment to long-term growth but could pose typical governance challenges (succession planning, potential related-party transactions with SK Jewellery, etc.). To mitigate this, MoneyMax has **independent directors** such as Mr. Ko Chuan Aun (experienced corporate figure) and Ms. Ong Beng Hong. The board composition appears compliant with Catalist rules, and the audit/remuneration committees are presumably chaired by independents. The company's sponsor (UOB Kay Hian) also reviews all announcements for compliance, adding an extra layer of oversight. There have been **no known governance scandals** or regulatory breaches involving MoneyMax. Insider ownership is high – the Lim family is believed to own a significant stake (exact percentage undisclosed but likely >50% including related parties). This aligns their interests with shareholders in terms of value creation, though it also means minority shareholders rely on the family to treat them equitably. So far, dividends have been paid consistently and no value-destructive moves observed.

One governance aspect to watch is the **relationship with SK Jewellery** (which was taken private by the Lim family). There are related-party transactions – for instance, MoneyMax might purchase new jewellery stock from SK or share services at Soo Kee HQ (MoneyMax's address is listed at "Soo Kee HQ" building). These should be done on normal commercial terms; fortunately, both businesses ultimately benefit the same controlling family, so there's little incentive to unfairly enrich one at the expense of the other. In fact, there could be positive synergies – combined procurement might get better gold prices, etc. MoneyMax's annual report disclosures (related-party section) would detail if any material sums flow to SK Jewellery for inventory or services.

- **ESG Initiatives and Reporting**

MoneyMax has started issuing **Sustainability Reports** (Catalist companies are encouraged to do so). These likely cover its responsible lending practices, customer privacy (important as they handle pawn customer data and valuable assets), and employee development. For example, MoneyMax must ensure security and integrity in handling pledged items – any mishandling could hurt reputation. Thus far, MoneyMax has maintained a good track record in safeguarding customer valuables and insurance coverage for those assets. The company also likely trains staff to detect stolen goods or money-laundering attempts (a pawn industry risk) and cooperate with authorities – a social responsibility aspect. We would like to see more quantitative ESG targets from the company in future (e.g. carbon footprint reduction, community investment amount, percentage of leadership positions held by women).

In conclusion, MoneyMax's ESG profile is **generally positive**: it advances reuse/recycle in retail, serves a social need for quick credit in a regulated manner, and is run by engaged owners with a track record of growth. There are no major ESG red flags. Improving formal ESG disclosure could further broaden investor appeal, especially as sustainability investing gains traction. We expect MoneyMax to continue refining its ESG strategy – perhaps focusing on **"Responsible Lending and Retail"** as a theme, which covers fair pawn practices, ethical sourcing of jewellery, and community outreach (financial literacy for customers, etc.). Strong governance will remain crucial as the company expands regionally; thus far, the stewardship by the founding family has delivered good results for all stakeholders, and we anticipate that alignment to persist.

Risks and Mitigants

While we are bullish on MoneyMax's prospects, investors should be aware of several key risks:

- **Commodity Price Risk (Gold & Precious Stones)**

Gold price volatility is a key risk factor for MoneyMax. A sharp decline in gold prices—triggered by aggressive interest rate hikes or a major sell-off—could reduce revenue from gold trading and lead to mark-to-market losses on gold inventories. More critically, a significant drop in collateral value may increase default risk if pledged items fall below loan value. However, this risk is mitigated by **MoneyMax's conservative loan-to-value ratios** and **short loan tenures** (typically ~6 months), allowing for frequent repricing of collateral on new loans.

Additionally, forfeited gold can be **quickly liquidated or recycled**, limiting inventory exposure. In fact, lower gold prices can sometimes **increase pawn volumes**, as customers must pledge more gold to obtain the same loan amount. Historically, sharp gold corrections have often preceded monetary easing cycles, which could support demand in MoneyMax's core lending and retail businesses.

On the **diamond front**, the rise of **lab-grown diamonds** and declining prices for natural stones pose risks to the Group's jewellery segment. A sustained consumer shift away from natural diamonds could affect margins and inventory turnover. However, MoneyMax retains flexibility in its product mix—focusing more on **gold-based jewellery**, which holds intrinsic value, and potentially introducing **lab-grown options** at competitive price points. Even if certain jewellery items become unsellable, the **inherent gold content** offers salvage value via recycling.

- **Regulatory and Political Risk**

The pawnbroking and moneylending industries are tightly regulated. Potential **changes in regulations** could impact MoneyMax. For example, authorities might impose stricter interest rate caps on pawn or lending rates, shorten pawn loan tenures, or restrict advertising for moneylenders. Recently, the Singapore government has looked at consumer credit issues; any move to further cap licensed moneylending interest (currently max ~4% per month for unsecured) could crimp MoneyMax's interest income.

Mitigant: MoneyMax's pawnbroking is already operating under a longstanding regulatory framework (the Pawnbrokers Act) which the government sees as providing a useful service; any changes usually involve consultation with the industry. MoneyMax's management is influential in the industry (Dr. Lim engages with regulators via the Pawnbrokers Association), so they can help shape fair regulations. Also, MoneyMax's shift to more **secured lending (property loans)** actually diversifies away from heavily regulated small loans. In Malaysia, regulatory risk exists too (rules on pawn interest or Islamic pawnbroking), but MoneyMax again works within guidelines (they likely offer Shariah-compliant pawn services "Ar-Rahnu" in Malaysia). Political risk such as a sharp shift in US trade policy (tariffs) is another factor – we've partially covered that in macro outlook. If trade tensions worsen, economic slowdown is a risk (see below). But direct political risk to MoneyMax is low since it is domestically focused and not subject to tariffs or sanctions issues.

- **Macroeconomic Slowdown & Credit Risk**

A severe recession in Singapore or Malaysia could affect MoneyMax's operations through multiple channels. While economic distress typically drives up pawn demand, it may also increase the rate of **pledge forfeitures** as more customers are unable to redeem their items. This, in turn, could pressure margins if the **resale value of collateral—especially luxury goods or jewellery—falls** in a weak secondary market. In the **secured lending segment**, the risk is more conventional: defaults could rise if property values decline or borrowers face financial distress.

Mitigant: The traditional pawn model inherently limits credit risk. Loans are granted at a conservative fraction of the item's market value, and if a borrower defaults, MoneyMax retains the collateral and resells it—eliminating the risk of bad debt. While there is some risk that sale proceeds fall short of the loan plus accrued interest, this is rare, especially with highly liquid collateral like gold. In many cases, the company **recoups its principal and earns a profit on the spread**.

Historical evidence supports this resilience: pawnshops remained profitable through past downturns such as the **1997 Asian Financial Crisis** and the **2008 Global Financial Crisis**. For its longer-tenure lending, MoneyMax still operates on a **secured basis** (e.g., vehicles, property), and applies prudent **loan-to-value thresholds** and **borrower screening** (via the Moneylenders Credit Bureau).

In the event of a macroeconomic slump, central banks may also respond with **interest rate cuts or fiscal stimulus**, which could:

- Boost gold prices (supporting collateral values)
- Encourage borrowing demand
- Lower financing costs

Lastly, **geographic diversification** offers a partial hedge — Malaysia's economic cycle does not always perfectly track Singapore's, allowing for some **portfolio effect** in risk management.

- **Competition**

MoneyMax operates in a competitive landscape that includes two major listed peers — **ValueMax** and **Aspial Lifestyle (Maxi-Cash)** — as well as numerous **smaller, unlisted pawnshops**, especially in

Malaysia. While new entrants face **regulatory licensing barriers**, competitive pressure can arise from existing players engaging in more aggressive tactics — such as offering **higher loan-to-value ratios** to attract pawn customers or **discounting retail prices** to boost volume.

Maxi-Cash, for example, has positioned itself strongly in **luxury handbags and accessories**, while ValueMax may expand further into **e-commerce** or secured lending. Additionally, local mom-and-pop operators may compete more heavily on price, particularly in underpenetrated rural markets.

Mitigants: MoneyMax differentiates itself through a **multi-pronged value proposition**:

- A well-recognized brand associated with **trust and professionalism**.
- A **digital-first platform** that appeals to younger, tech-savvy consumers.
- A **comprehensive service model** that integrates pawnbroking, gold and luxury retail, pre-owned goods, online auctions, and even assurance services — all under one roof.

This "one-stop" experience is not easily replicated by smaller players or by peers that remain focused on narrower niches. Furthermore, the **oligopolistic nature** of the Singapore market—with just a few large players—encourages **pricing discipline** over cutthroat competition, making a margin-eroding price war unlikely.

Finally, MoneyMax's expansion into **secured property lending** and **online auctions** offers it additional growth levers that are not yet central to peers' strategies — providing a **first-mover advantage** in emerging verticals.

- **Operational Risks**

Operating in a business that handles high-value physical assets, MoneyMax is exposed to a range of operational risks that must be carefully managed. Security risks such as theft, robbery, or internal fraud are inherent to the nature of pawnbroking and luxury retail. Additionally, valuation risks—particularly the risk of accepting counterfeit or over-valued items—can lead to financial losses or reputational harm if not properly controlled. The authentication of gold jewellery, luxury watches, and branded goods requires both technical precision and experienced appraisers. A major incident, whether a physical security breach or a lapse in appraisal accuracy, could materially impact the company's bottom line and customer trust.

Mitigants: MoneyMax has invested significantly in operational safeguards. Its outlets are equipped with advanced security infrastructure including vault-grade safes, 24/7 CCTV surveillance, and access control systems. Comprehensive insurance coverage further reduces the financial impact of potential theft or fraud. On the valuation front, the company utilizes specialized tools such as X-ray fluorescence analyzers to assess gold purity and other authentication equipment to verify the legitimacy of high-value luxury items. Staff undergo regular training to ensure appraisal accuracy, and the company likely follows ISO-certified operational protocols to uphold consistency and reliability across its network.

Importantly, MoneyMax's business model—anchored in a decentralized network of small-format outlets—serves as a natural risk buffer. In the event of a localised incident, operational disruption is contained and unlikely to affect the broader business. Another key operational consideration is staffing. The business relies heavily on experienced and skilled appraisers, and as such is not immune to labour market challenges such as rising wage pressures or talent shortages in the retail and service sectors. MoneyMax addresses this through robust in-house training programs and by maintaining a modern, professional corporate image that helps attract talent, especially younger staff, in contrast to the outdated perception of traditional pawnshops.

- **Financial Risks**

MoneyMax faces a number of financial risks, chiefly stemming from interest rate fluctuations and, to a lesser extent, foreign exchange exposure. Rising interest rates—contrary to our base case assumption—could compress net interest margins, particularly in the secured lending segment, and lead to higher overall finance costs. While the pawnbroking segment operates on fixed interest rates regulated by law (typically capped at 1% to 1.5% per month), other parts of the lending business, such as property loans, may be linked to floating rate benchmarks and thus more vulnerable to rate hikes.

Mitigants: Increases in funding costs can, in some cases, be passed on to borrowers, especially in the moneylending segment where rates are generally higher and fixed at inception. Although pawn loan rates cannot be adjusted, their inherently high gross margins provide a cushion against moderate increases in funding expenses. In the event that funding costs rise sharply, the company could also moderate the pace of loan book expansion to avoid negative carry and preserve capital efficiency. Historical precedent supports this resilience: during the 2022–2023 rate hike cycle, MoneyMax still managed to grow profits despite a rising interest rate environment.

On the foreign exchange front, the Group's exposure is minimal. Its operations are largely denominated in local currencies (Singapore dollars and Malaysian ringgit), while gold—the key inventory asset—is priced in U.S. dollars. This creates a theoretical mismatch, but in practice, the short inventory turnover cycle of gold and the ability to price transactions dynamically mean that this risk is naturally hedged. As such, forex volatility has not materially affected the company's financials in recent years.

- **Shareholding Concentration & Liquidity Risk**

A notable structural consideration is the concentrated shareholding in MoneyMax. As of mid-2025, approximately 13.3% of the company's shares are in public float, with the majority held by insiders and the founding Lim family. While such alignment of management and shareholder interests can support long-term strategic focus, the limited free float poses liquidity constraints for investors. Lower trading volumes may deter institutional participation and limit near-term re-rating potential, even when fundamentals are strong. Furthermore, any future share buyback activity could exacerbate the liquidity challenge unless accompanied by measures to broaden market participation. While not a fundamental risk to operations or earnings, this structural factor may influence market visibility, analyst coverage, and stock volatility, and should be considered by prospective investors.

Mitigants: While the current free float is limited, there are potential avenues to improve liquidity over time. Management could consider gradually increasing public shareholding through secondary placements or a strategic equity issuance. A future transfer from the Catalist to the SGX Mainboard may also enhance institutional visibility and broaden the investor base, especially if accompanied by increased analyst coverage and stronger dividend signalling. Additionally, should MoneyMax's continued growth attract interest from sector-focused funds or small-cap index trackers, natural demand could help deepen market liquidity. While there is no formal plan disclosed, the Group's strong financial footing provides flexibility to pursue such initiatives if market conditions are favourable.

In summary, MoneyMax's overall risk profile appears well-contained and prudently managed. The company operates a business model characterized by low credit risk, asset-backed lending, and inventory — primarily gold — that retains intrinsic value even amid economic uncertainty. The primary sources of volatility stem from external factors such as commodity price fluctuations or shifts in regulatory frameworks, both of which have been addressed in the preceding analysis. Importantly, MoneyMax's leadership team brings decades of experience, having successfully navigated multiple economic and market cycles since the 1990s through their related ventures under SK Jewellery Group. This track record suggests strong strategic adaptability. For instance, in a scenario where gold prices fall sharply, management could pivot toward promoting gold retail — encouraging consumers to buy on dips—thereby clearing inventory and preserving margins. Likewise, should regulatory changes constrain one segment, the Group has the flexibility to emphasize unaffected business lines. The alignment of management and major shareholders further supports a long-term value creation mindset, reinforcing their commitment to navigating risks while sustaining growth.

Recommendation

We initiate coverage on MoneyMax Financial Services Limited (SGX:5WJ) with a **BUY rating and a 12-month target price of S$0.60**, representing ~33% upside from the current share price of S$0.45. This valuation is based on a blend of 7× forward P/E and 1.4× P/B, supported by a DCF model that accounts for gold price scenarios, lending margins, and moderate economic growth. The stock also offers a dividend yield of ~3%, for a total return potential of over 36%.

- **Investment Thesis**

(1) Superior Earnings Momentum – FY2024 net profit surged 68.6% YoY to S$38.2m on 36.5% revenue growth. The Group is gaining scale across all segments: pawnbroking, luxury retail, and secured lending. ROE now exceeds 19%.

(2) Undervalued vs. Peers – At 5.2× P/E and 1.1× P/B, MoneyMax trades at a discount to ValueMax and Maxi-Cash despite faster earnings growth and comparable ROE. Its valuation implies a low PEG ratio and offers deep value in the small-cap space.

(3) Defensive Business Model with Expansion Levers – The pawn model is counter-cyclical, asset-backed, and cash-generative. MoneyMax's digital expansion, geographic diversification, and entrance into property-backed loans create new growth engines.

- **Near-Term Catalysts**
    - 1H2025 Results: Continued YoY growth will validate FY2024's momentum.
    - Dividend Upside: Conservative payout (~17%) leaves room for increases, especially with rising profits.
    - CEO/Chairman Engagement: Planned investor interactions may improve visibility and credibility.
    - Index Inclusion or Upgrades: Enhanced coverage or index eligibility may attract institutional interest.

- **Risks & Mitigants**

While sensitive to gold prices, economic conditions, and competition, MoneyMax is backed by a robust balance sheet, high inventory liquidity, and management experience through economic cycles. Our full risk analysis suggests downside is contained by the company's asset-backed, short-cycle business.

- **Conclusion**

MoneyMax presents a compelling case as a growing, undervalued financial services provider in Singapore's resilient pawn and lending sector. It offers investors a mix of growth, defensiveness, and cash returns, with significant room for a valuation re-rating. Given its earnings trajectory, market position, and strategic flexibility, we see MoneyMax as an attractive addition for investors seeking exposure to income-generative, small-cap value stocks with scalable business models.

Sources: Financial data and growth figures are from company annual reports and SGX filings, and FY2024 performance is as reported in The Straits Times/Yahoo Finance. Industry insights are drawn from regulatory reports and news (MinLaw, MTI, The Edge Singapore/Malaysia) (e.g., *Singapore downgrades 2025 GDP forecast to 0%-2% as US-China tariff war weighs on global growth | British Chamber Of Commerce Singapore*) (*Pawnbrokers: Battle to win over customers heats up*). All information is as of May 2025. Investors should refer to upcoming official results for the most current data.

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