Beansprout

ValueMax Group Limited

(SGX: T6I)

Ticker	T6I
Rating	Non-rated
Price (18 Aug 2026)	S$0.96
52-week range	S$0.76 – 1.34
Market Cap	S$0.91B

Research Analyst

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Growth in core businesses led to higher interim dividend

- **Pawnbroking led revenue and profit growth.** 1H26 revenue rose 38.2% year-on-year to S$370.7m, led by pawnbroking segment which grew 42.7% year-on-year to S$40.1 million. Revenue from retail and trading segment also registered a faster pace of growth, at 41.6% year-on-year, or +S$85.1 million. Profit attributable to shareholders increased 30.4% to S$62.6m.
- **Profit growth remained strong despite margin compression.** Gross profit increased 23.2% to S$99.9m, although gross margin declined to 27.0% from 30.2% as the higher-margin pawnbroking business accounted for a smaller proportion of revenue. Despite the margin compression, profit before tax rose 30.5% to S$74.9m, supported by broad based growth. At the segment level, pawnbroking profit grew the fastest, +68.1% year-on-year to S$21.9m, from S$13.0m. Moneylending remained the largest profit contributor, at 35.1%, or S$26.3m, up 33.5% year-on-year
- **Expanding the regional network.** In Singapore, ValueMax accounted for around 20% of the total sector outlets. As at 30 June 2026, the Group's network comprised 93 outlets comprising 50 outlets in Singapore and 32 outlets in Malaysia through its associate. In 1H26, ValueMax expanded regionally through the acquisition of a 40% stake in PT Gadai ValueMax Indonesia, a pawnbroking company with 11 outlets in Jakarta.
- **Capital management.** As of 30 June 2026, ValueMax held S$18.8 million in cash and bank balances, down from S$22.4 million as at 31 December 2025. As at 30 June 2026, total debt increased 17.8% year-to-date to S$1.06 billion. Net debt/equity was 1.6x, below management's target of 2.0x or the absolute maximum level of 2.5x. Net asset value per share improved 5.8% year-to-date to 68.13 cents.
- **1H26 interim dividend 1.38 cents, up 15% year-on-year.** ValueMax declared an interim dividend of 1.38 cents per share for 1H2026, up 15% year-on-year. The interim dividend represents a 21% dividend payout ratio.
- **Valuation.** With the reported 1H26 EPS at S$0.0661, the trailing twelve-month (TTM) EPS is S$0.1231, implying TTM P/E of 7.8x. This compares with an average FY2025 P/E of 16.2x for the selected pawnbroking and jewellery-retail peers.
- **ValueMax passed 1/3 Opportunity Pot checks.** ValueMax passed the ROE check but did not pass the net debt/equity and earnings momentum checks. However, as ValueMax operates a balance sheet-intensive business, higher gearing is partly structural to its business model. Earnings momentum is below revenue momentum, but we recommend keeping ValueMax on the watch list.
- **Key Risks.** Key risks include gold price volatility, credit risk, regulatory risk, interest rate risk, foreign exchange risk, and competition.

Pawnbroking segment led revenue and profit growth

Figure 1: ValueMax's 1H26 financial highlights

S$ '000	1H FY26	1H FY25	*change, % yoy*
Revenue	370,733	268,343	*38.2%*
Costs and expenses	-270,805	-187,245	*44.6%*
Gross profit	99,928	81,098	*23.2%*
Administrative expenses	-28,115	-25,707	*9.4%*
Finance expenses	-49	-35	*40.0%*
Share of results of associates	6,268	4,440	*41.2%*
Profit attributable to owners of the company	62,615	48,032	*30.4%*
No of shares outstanding, million (end of period)	947	935	*1.3%*
Earnings per share (cents)	6.61	5.14	*28.7%*
Dividend per share (cents)	**1.38**	**1.20**	*15.0%*
Dividend payout ratio	**21%**	**23%**	-2 ppt
Gross profit margin	27%	30%	-3 ppt
Net profit margin	10%	14%	-4 ppt

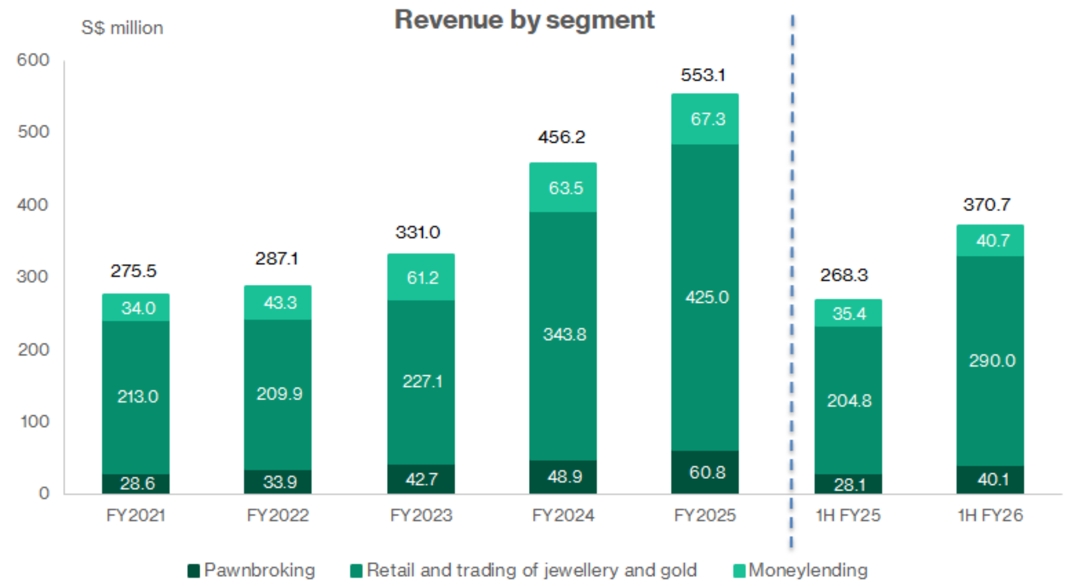
Source: ValueMax 1H26 condensed interim financial statements

ValueMax Group delivered a strong set of 1H2026 results.

1H26 revenue rose 38.2% year-on-year to S$370.7m, led by pawnbroking segment which increased 42.7% year-on-year to S$40.1 million. Profit attributable to shareholders increased 30.4% to S$62.6m.

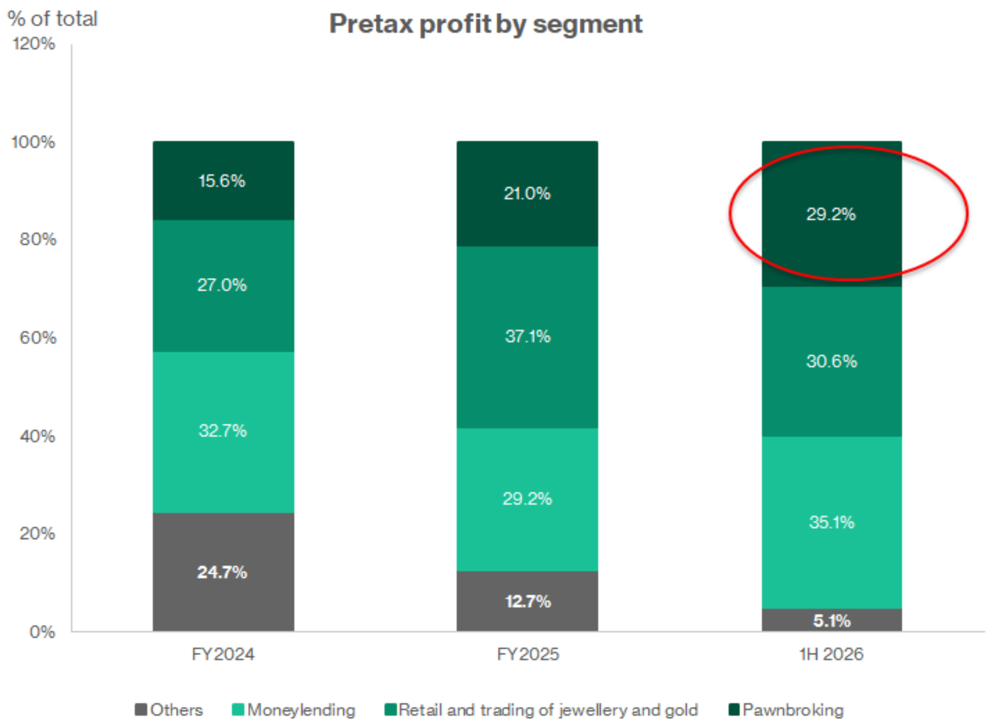
Revenue from retail and trading segment also registered a faster pace of growth, at 41.6% year-on-year, or +S$85.1 million.

Figure 2: ValueMax's revenue by business segments



Source: ValueMax 1H26 condensed interim financial statements, annual reports

Figure 3: ValueMax's pretax profit by segment, weights



Source: ValueMax 1H26 condensed interim financial statements, annual reports

Gross profit increased 23.2% to S$99.9m, although gross margin declined to 27.0% from 30.2% as the higher-margin pawnbroking business accounted for a smaller proportion of revenue.

Despite the margin compression, profit before tax rose 30.5% to S$74.9m, supported by broad based growth.

In addition, share of results from associates rose 41.2% to S$6.3m, mainly from its Malaysian associated companies.

At the segment level, pawnbroking profit grew the fastest, +68.1% year-on-year to S$21.9m, from S$13.0m.

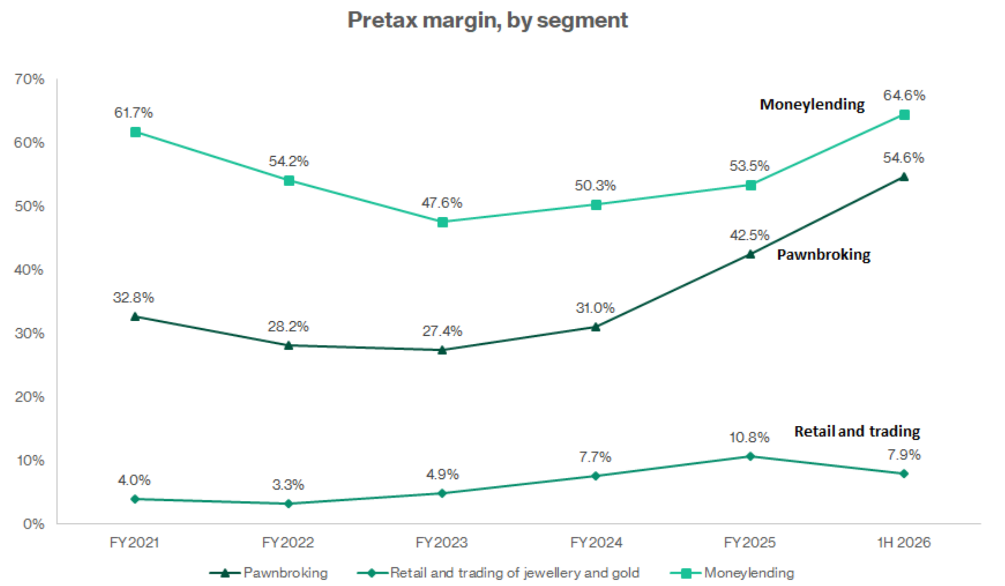
Pretax profit from Retail and trading of jewellery grew only 7.8% year-on-year and its profit share fell to 30.6% in 1H26.   In 1H26, the Retail and trading of jewellery and gold reported lower pretax margin, at 7.9%, from 10.4% in 1H 2025.

Moneylending remained the largest profit contributor, at 35.1%, or S$26.3m, up 33.5% year-on-year

ValueMax's integrated business model could support higher margins over time.

Finance costs remained elevated at S$15.4m, with borrowings increasing to S$1.05bn as at 30 June 2026 from S$886.3m at end-2025.

Figure 4: ValueMax's pretax profit margin, by segment



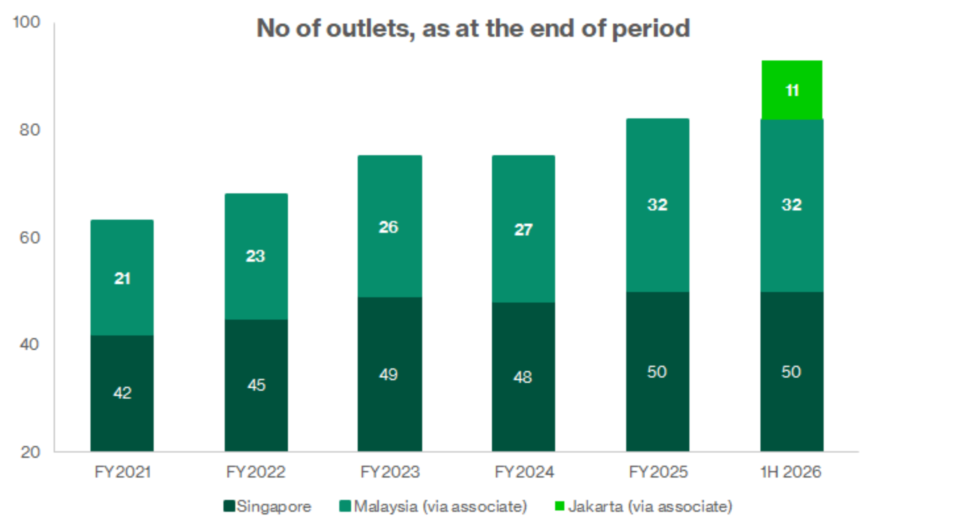
Source: ValueMax annual reports

Expanding the regional network

ValueMax has grown its Singapore footprint through selective M&A while its Malaysian associate network continues to expand. In Singapore, ValueMax accounted for around 20% of the total sector outlets.

As at 30 June 2026, the Group's network comprised 93 outlets, comprising 50 outlets in Singapore, 32 outlets in Malaysia through its associate and 11 outlets in Indonesia through its associate.

Figure 5: ValueMax's outlet distribution



Source: ValueMax annual reports

Capital management

ValueMax operates a balance sheet-intensive business. It is important that the management maintains a prudent and proactive approach towards capital management.

As of 30 June 2026, ValueMax held S$18.8 million in cash and bank balances, down from S$22.4 million as at 31 December 2025.

Total assets grew 12.9% to S$1.76 billion as at 30 June 2026, largely reflecting expansion of the loan book.

Net debt/total capital was 61.0% as at 30 June 2026. Net debt/equity was 1.6x, remaining within management's 2.0x target but above Beansprout's 1.0x Opportunity Pot threshold.

As at 30 June 2026, interest-bearing loans and borrowings increased 17.8% year-to-date to S$1.06 billion. New borrowings went into funding the loan book growth.

Equity attributable to shareholders increased to S$645.2 million, up 6.62% year-on-year. The increase was due to retained earnings growth and exercise of the warrants in 1H26.

In 1H26, ValueMax issued 6.85 million shares from the exercise of the warrants, at the exercise price of S$0.36 per warrant.

Net asset value per share improved 5.8% year-to-date to 68.13 cents.

Figure 6: Balance sheet summary

As of end of period, S$ '000	30-Jun-26	31-Dec-25	*change*
Cash and cash equivalents	18,769	22,419	*-16.3%*
Trade and other receivables	427,875	398,565	*7.4%*
Inventories	157,286	150,265	*4.7%*
Total assets	1,761,138	1,560,155	*12.9%*
Interest-bearing loans and borrowings	1,056,552	897,161	*17.8%*
Total equity attributable to owners of the company	645,200	605,406	*6.6%*
Net debt/ total equity	160.8%	144.5%	+16.3 ppt
Net debt/ total capital	61.0%	58.2%	+2.8 ppt
No. of shares issued, million	947	940	*0.7%*
Net asset value per share, S$	0.6813	0.6439	*5.8%*

Source: ValueMax 1H26 condensed interim financial statements

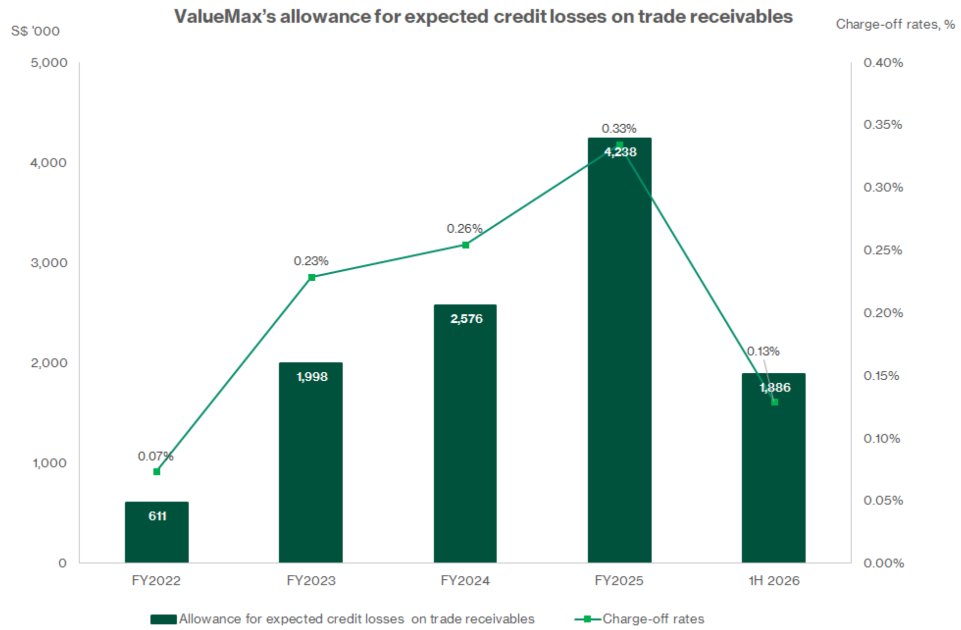
Predominantly secured, collateral-backed lending book

Over 95% of ValueMax's loan book is secured by tangible collateral – gold, jewellery, branded watches, real estate and vehicles – which limits credit losses relative to unsecured consumer lenders.

Of the loan book, gold accounts for 70% of the outstanding loans.

Allowance for expected credit losses on trade receivables was S$1.89 million in 1H26, translating to a charge-off rate of 0.13%.

Figure 7: ValueMax's allowance for expected credit losses on trade receivables



Source: ValueMax annual reports

ValueMax remains rated BB by Fitch Ratings. The external credit rating provides independent validation of the group's credit profile. Fitch also highlighted that ValueMax's credit cost ratio has consistently remained below 0.5%, reflecting the healthy quality of its loan book and prudent borrower selection.

Cash flow adequacy

Figure 8: Cash flow summary

FYE Dec, S$ '000	1H FY26	1H FY25	change, % yoy
Cash flows from operations	-33,844	-11,180	-
Cash flows from investing	-2,537	-7,852	-
Cash flows from financing	27,396	50,118	-45.3%
Net increase in cash	-8,985	31,086	-128.9%
Capex	-224	-3,295	
Free operating cash flow (CFO - Capex)	**-34,068**	**-14,475**	

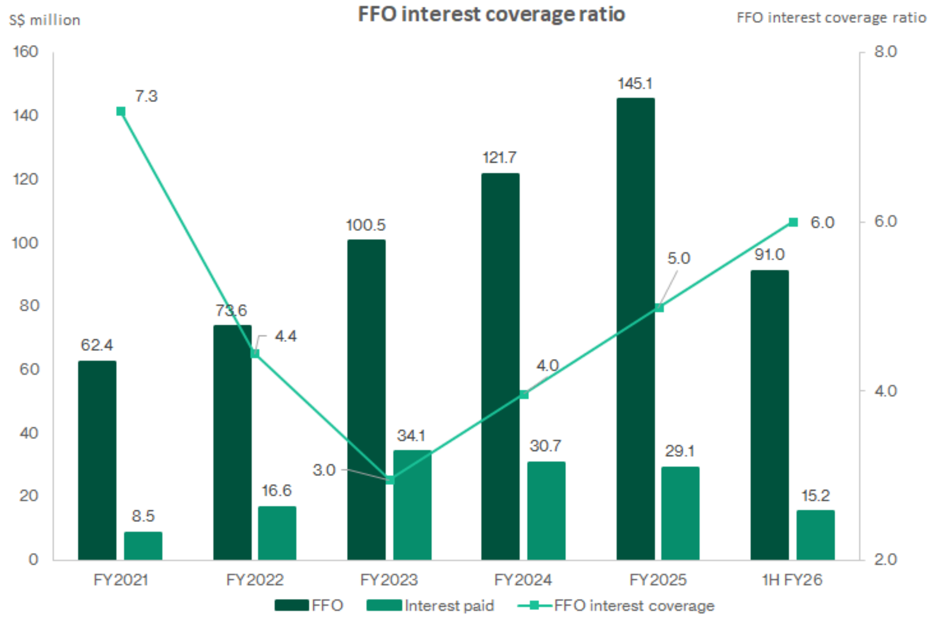
Source: ValueMax annual reports

ValueMax recorded negative cash flows from operations of S$33.8 million, due to working capital outflow. Operating cash flow turned negative as loan-book expansion absorbed working capital, with funding requirements met through additional borrowings.

ValueMax funded the working capital requirements through S$54.4m of net borrowings, alongside S$2.5m from warrant exercises.

FFO interest coverage ratio was relatively stable, at 6.0x in 1H26.

Figure 9: ValueMax's FFO interest coverage ratio



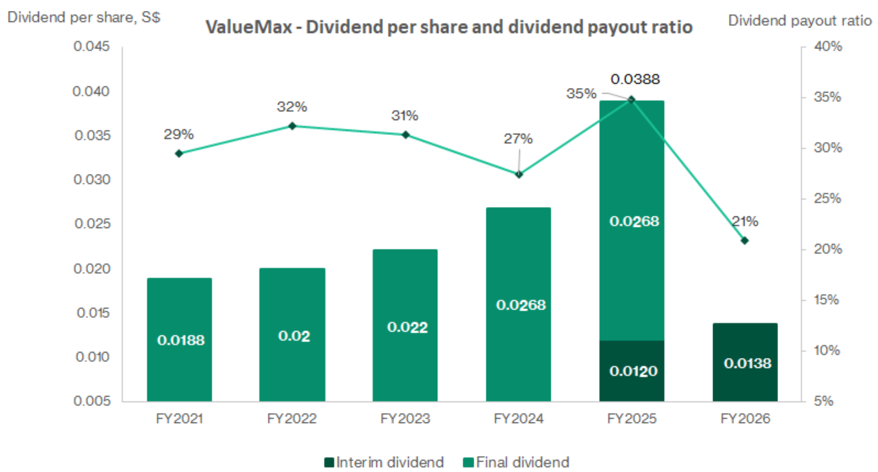
Source: ValueMax annual reports

1H26 interim dividend 1.38 cents, up 15% year-on-year

ValueMax declared an interim dividend of 1.38 cents per share for 1H2026, up 15% year-on-year. The interim dividend represents a 21% payout ratio based on 1H2026 net attributable profit. ValueMax does not have a formal dividend policy.

ValueMax has progressively raised its dividend, with total FY2025 dividends of 3.88 cents per share, equivalent to a dividend payout ratio of 35%.

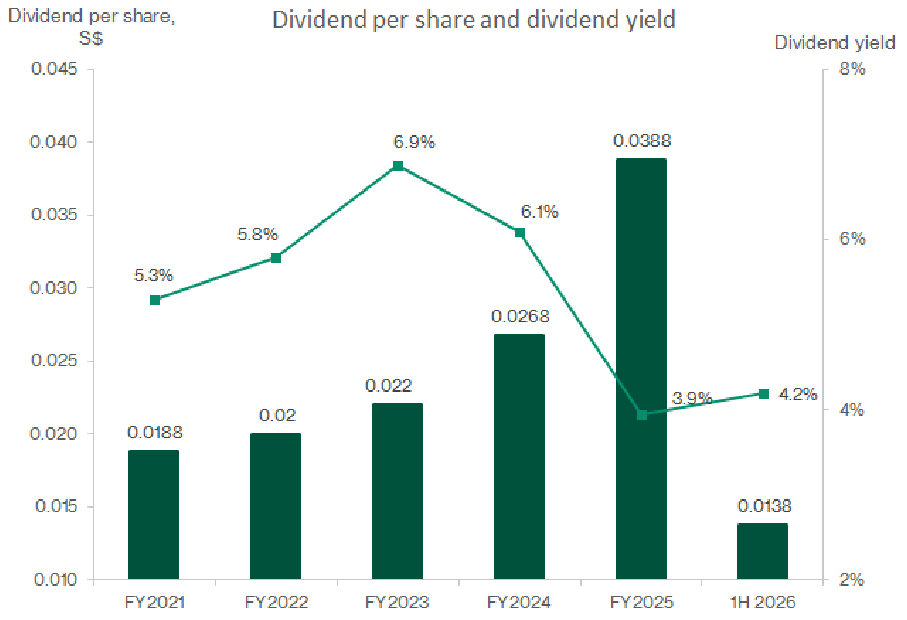
Figure 10: ValueMax's dividend per share and dividend payout ratio



Source: ValueMax annual reports

Based on the 18 August share price of S$0.96, the trailing twelve month DPS of 4.06 cents implies dividend yield at 4.2%.

Figure 11: ValueMax's dividend per share and dividend yield



Source: ValueMax 1H26 condensed interim financial statements

Outlook

Looking ahead, management highlighted continued volatility in gold prices and a challenging competitive environment.

Gold prices peaked at around US$5,300/oz in March 2026 before declining to around US$4,100/oz in early August.

Figure 12: Gold price, average monthly price

Source: World Gold Council

Structurally, as gold prices rise, buyers are keen to gain exposure. Sellers are also keen to realise gains from the higher gold prices. Sellers benefit from higher gold prices, which translate into higher pledge values.

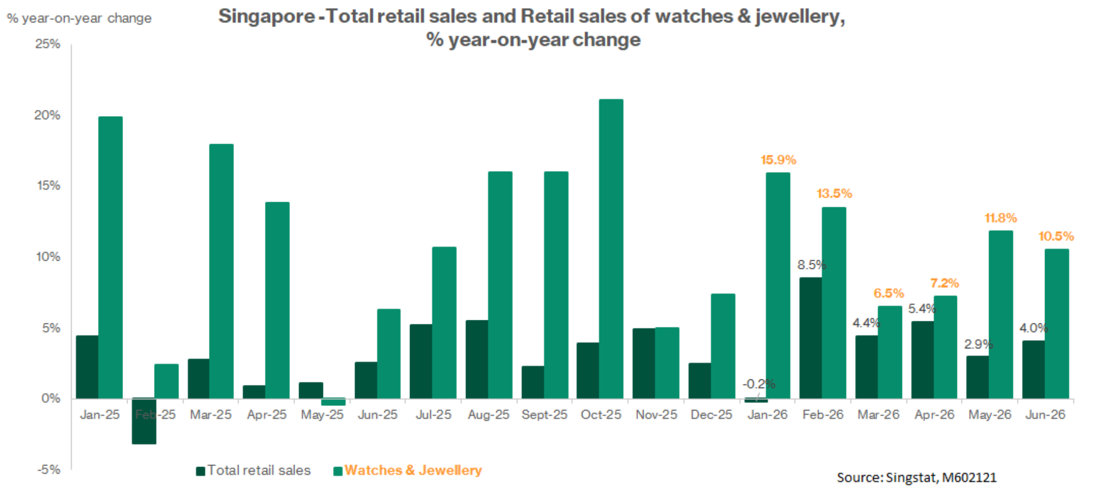
Higher gold prices support larger loan amounts per pledge, lifting pawnbroking interest income. ValueMax could also make higher margins on gold trading and jewellery resale, and mark-to-market gains on the Group's own gold inventory.

With the structural gold cycle, we would expect ValueMax's core segments to benefit in the long run. That said, ValueMax's core lending revenue and cash flow are primarily generated from interest income.

Pawnbroking itself is a licensed, collateral-based form of consumer and small-business credit that has historically been resilient through economic cycles, as demand for short-term secured liquidity tends to rise, not fall, during periods of economic uncertainty.

Sales of watches and jewellery have mostly outpaced overall retail sales.

Figure 13: Singapore's total retail sales and retail sales of watches and jewellery, % year-on-year change



Source: Singstat

Competitors

We compare ValueMax with MoneyMax Financial Services (SGX: 5WJ), another SGX-listed pawnbroking and jewellery-retail group.

Figure 14: Comparison of ValueMax and MoneyMax

Parameter	ValueMax	MoneyMax
SGX code	T6I	5WJ
Listed since	2013	2015
Core markets	Singapore, Malaysia (associate)	Singapore
Outlet network	**93** comprising 50 (Singapore) + 32 (Malaysia, associate) + 11 (Indonesia associate)	**139**
Total trade and other receivables, 1H 2026	S$1,456 million	S$1,208 million
Revenue, 1H 2026	S$370.7 million	S$325.7 million
Net profit, 1H 2026	S$62.6 million	S$52.5 million
Trailing twelve-month PE	7.8x (TTM EPS S$0.1231)	10.6x

Source: Company data

Valuation

At the current price of S$0.96, ValueMax trades at a market capitalisation of S$912 million.

With the reported 1H26 EPS at S$0.0661, the trailing twelve-month (TTM) EPS is S$0.1231, implying TTM P/E of 7.8x. This compares with an average FY2025 P/E of 16.2x for the selected pawnbroking and jewellery-retail peers.

At 1H26 NAV of S$0.6813, ValueMax is trading at 1.41x P/B.

With 1H26 dividend per share of S$0.0138, ValueMax is trading at trailing dividend yield of 4.2% (TTM dividend per share 4.06 cents).

ValueMax is predominantly focused in Singapore. Its close peers are MoneyMax and Aspial Lifestyle. The comparable listed in Malaysia are Pappajack and Well Chip Group. The pawnbroking and jewellery-retail peers are trading at an average FY2025 P/E 16.2x and P/B 2.2x.

Figure 15: Peer comparison

Name	Ticker	Fiscal Period	Currency	Price	Market cap, S$ million	Revenue, S$ million	P/E ratio FY2025	Price/Book 2025, x	Dividend Yield 2025, %	Return on Avg Total Equity	Total Debt/ Equity, %
ValueMax Group Ltd.	T6I-SG	12/2025	SGD	0.96	904.5	553.1	8.6	1.5	3.9	18.3	148.7
MoneyMax Financial Services Ltd.	5WJ-SG	12/2025	SGD	0.83	788.2	541.9	10.2	1.6	3.3	32.8	349.1
Aspial Lifestyle Ltd.	5UF-SG	12/2025	SGD	0.37	764.9	830.1	8.5	1.3	5.6	29.8	282.6
Pappajack Bhd	0242-MY	12/2025	MYR	0.90	217.4	40.9	24.7	2.5	1.9	10.4	48.7
Well Chip Group Bhd.	5325-MY	12/2025	MYR	1.10	207.5	82.4	7.7	2.0	3.2	19.0	85.6
						Average	**16.2**	**2.2**	**2.6**	**23.0**	

Source: Factset, 18 Aug 2026

Key risks

Key risks include gold price volatility, credit risk, regulatory risk, interest rate risk, foreign exchange risk, and competition.

Gold price volatility

While we view the multi-year gold uptrend as structurally supported, gold can still see sharp near-term corrections – as seen in the pullback from the peak in 1Q 2026's ~US$5,300/oz peak to around US$4,100/oz in early August amid shifting Federal Reserve rate expectations.

A period of consolidation or retracement would still reduce loan collateral values, gold trading margins, and the carrying value of inventory relative to the very strong FY2025 base, even if the longer-term structural drivers remain intact.

Collateral and credit risk

Although over 95% of the loan book is secured, recoverability depends on the Group's ability to realise collateral value (through auction or resale) if pledges are not redeemed. A prolonged downturn in gold, jewellery or vehicle resale values could increase impairment charges.

Regulatory risk

Pawnbroking interest rates and moneylending terms in Singapore are subject to statutory caps and licensing conditions under the Pawnbrokers Act 2015 and Moneylenders Act. Any tightening of regulation, licensing conditions, or interest rate caps could compress margins.

In 2024, AML/CFT (Anti-money laundering / countering the financing of terrorism) was strengthened. Compliance with the strengthened AML/CFT requirements could result in additional costs.

Funding cost and interest rate risk

The Group relies on bank facilities, commercial paper and medium-term notes to fund loan book growth; interest-bearing borrowings grew alongside the loan book in FY2025. Rising interest rates or tighter credit markets could increase funding costs and compress net interest margins.

Foreign exchange and associate execution risk

The Group's Malaysian pawnbroking exposure is held through associated companies, exposing ValueMax to foreign exchange translation risk and reliance on the operational and financial performance of entities it does not directly control.

Competitive intensity

ValueMax competes with other listed pawnbroking chains such as MoneyMax and Maxi-Cash/Aspial Lifestyle, as well as numerous independent pawnshops, for prime retail locations and customer pledges, which could pressure loan quantum, pricing and outlet economics over time.

ValueMax on Beansprout's Opportunity Pot framework

We apply Beansprout's Opportunity Pot screening framework, covering return on equity, net debt/equity and earnings momentum, to assess ValueMax's suitability for an opportunity portfolio.

Check	ValueMax
Return on equity > 8%	✅ Pass – Annualised 1H26 ROE 20%
Net debt/equity < 1.0x	❌ Fail – 1.6x as at 30 June 2026
EPS growth > Revenue growth	❌ Fail – 1H26 EPS growth < revenue growth
Overall	1/3 checks

Source: Beansprout

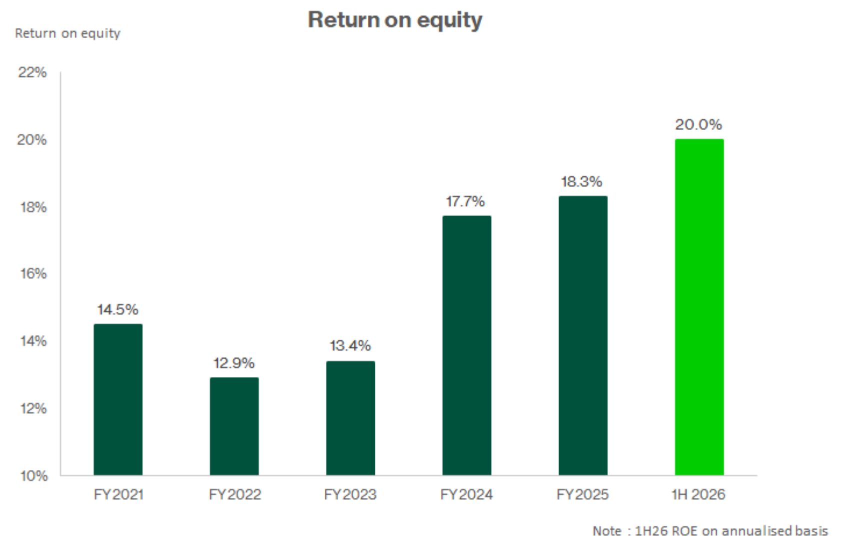
Check #1: Return on equity > 8%

Return on equity (ROE) measures how effectively a company uses shareholders' capital to generate profits. We want to screen for companies with ROE above 8%.

We estimate the annualised 1H26 ROE as annualised 1H26 profit attributable to owners divided by average equity.

annualised profit attributable to owners = S$62.615 million *2
average equity = (605.406+645.2)/2 = S$625.303 million
1H26 ROE = 20%.

Figure 16: ValueMax's Return on Equity (ROE)



Source: Company data

Check #2: Net debt/ equity < 1.0x

As at 30 Jun 2026, ValueMax's net debt/ equity was 1.6x, above the 1.0x threshold set by Beansprout.

Gearing is elevated, but this is partly structural to the pawnbroking business, as borrowings are used to fund pawn loans and inventory that are backed by collateral.

Check #3: Earnings momentum

To assess whether a company is delivering growth in both revenue and earnings.

For 1H26, ValueMax achieved EPS growth of 28.7% year-on-year. This is lower than the 1H26 revenue growth of 38.2% year-on-year.

What do we watch out for?

ValueMax passed one of the three checks. ValueMax remains a dominant pawnbroker with a strong track record, although its elevated gearing and working capital requirements warrant monitoring.

Disclosure Appendix

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