RHT Capital

MONEYMAX | SGX: 5WJ

Strong 1H26 results in-line with expectations

BUY

Current Price: $ 0.86
Target Price: $ 1.44
Upside: + 67%

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MoneyMax (MM) announced a strong set of 1H26 results, with revenue growing by 34.1% yoy to $326mil (accounting for 44.7% FY26F[1]) while its net profit was $52.5mil (+77.3% yoy) accounted for 53% of FY26F estimates.

Robust margin performance across all segments, which translated into improved net margin of 17% (1H26) vs our forecasts of 15.7% for FY26F.

We are positively surprised by MM's network expansion, having opened 26 stores YTD with another 10 in the pipeline by year end, implying branch expansion of nearly 1/3. This momentum is likely to carry through over the next 2 years, making the Group on track to achieve $1bn sales by 2029F.

Recent rally in gold price (+1.3% YTD) performance bodes well for MM given its circa 70% gold within its portfolio.

MM currently trades at 7.6x FY26F PE, 0.2x PEG, 2.6% dividend yield and 6.1x EV/EBITDA. This represents a 57% PE, 90% PEG and 49% EV/EBITDA discount to the STI Index. MM trades at a 2.4% premium to its peer group, but against regional comps, MM trades at 37.5% PE discount. We maintain MM's Sum-of-the-Parts Intrinsic Valuation/Target Price of $1.44. Reiterate BUY on MoneyMax with potential +67% upside.

Mkt Cap: S$822mil
[S$0.86 as of 11-Aug-26]

Intrinsic Value: S$1.44

30-day ADTV: 0.878mil

Singapore

Financial Services [4020]/
Consumer Finance [402020]

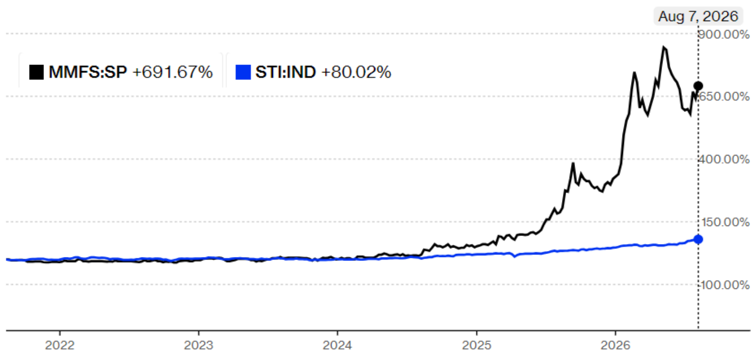
RHTC Forecasts $ mill	2024	2025	2026F	2027F
Revenue	390.1	541.9	727.9	979.3
Gross Profit	146.2	205.5	276.6	372.1
Net Income	38.2	71.7	104.1	144.6
EPS (S$ cts)	4.3	8.1	11.3	15.4
P/E (x)	19.9	10.6	7.6	5.6
PEG (x)			0.2	0.1
ROAE (%)	21.3	30.4	32.1	32.2
Div Yield (%)	1.6	2.3	2.6	2.8
FCF yield (%)	-9.6	-23.6	-1.1	8.4
Gearing (D/E)%	317	319	258	203
D/TA %	68.2	70.2	66.9	62.9

Relative Valuation	PE fwd	PEG 26F(x)	BETA 1	EV/EBITDA
MM	7.6	0.2	1.1	6.1
STI @ 5,754	17.6	1.8	1.0	6.3-17.9[2]
MM perm to STI	-57%	-90%		47%[3]

Peer Gp Valuations	PE fwd
ValueMax	7.8
Aspial Lifestyle	7.1
Peer Gp Avg (PGA)	7.4
MM prem PGA	**2.4**
1929.HK	18.0
DFI-Retail	17.6
Hong Leong Fin	13.9
Singapura Fin	12.2
Sing Inv	8.5
Manappuram Fin	14.5
Muthoot	9.8
Avg ex-MM	12.2
MM %prem to Avg	**(37.5)**

Source: Company Filings, RHTC estimates 1: CNBC, 2: ex-FI, 3: Based on avg 12.1x STI EV/EBITDA

BUY Price $0.86 12-Aug-26



Ratios & Valuation

Dec-Yr end, S$ mil	2024	2025	2026F	2027F
PE (x)	19.90	10.61	7.60	5.57
PE/G			0.17	0.14
Intrinsic Value / Target Price			**1.44**	
% upside			67%	
Mkt Cap/Sales (x)	2.07	1.49	1.11	0.82
Div Yield (%)	1.63	2.33	2.56	2.81
FCF Yield (%)	(9.60)	(23.61)	(1.06)	8.44
EV/EBITDA	11.26	8.01	6.13	4.47
P/BVPS	4.39	3.19	2.30	1.65
ROE (%)	19.17	26.30	27.66	27.66
ROAE (%)	21.35	30.38	32.09	32.16
ROAA (%)	4.98	7.06	8.24	9.80

Growth & Margins *(%)*

Growth YoY (%)	2024	2025	2026F	2027F
Revenue	36.5	38.9	34.3	34.5
PBT	64.1	82.4	45.4	38.9
EPS	**68.6**	**87.6**	**39.7**	**36.3**
FCF	46.5	146.0	(95.3)	(912.3)
Asset	18.4	24.0	33.7	17.3
Margins (%)				
Gross margin	37.5	37.9	38.0	38.0
Net margin	10.7	14.1	15.2	15.7
FCF margin	(18.7)	(33.1)	(1.2)	6.9

Source: Company data, RHTC estimates

Income Statement *($Mil)*

Dec-yr end S$mil	2024	2025	2026F	2027F
Revenue	390.1	541.9	727.9	979.3
Material costs	(243.9)	(336.5)	(451.3)	(607.2)
Gross profit	**146.2**	**205.5**	**276.6**	**372.1**
Other income and gains	1.8	2.0		
Employee benefits exp	(34.9)	(44.3)	(58.1)	(78.2)
Depreciation & amort	(12.2)	(13.3)	(13.5)	(20.6)
Other losses	(2.2)	(3.1)	(3.1)	(3.4)
Other expenses	(15.1)	(17.1)	(17.3)	(24.2)
Finance costs	(31.1)	(33.8)	(45.2)	(52.2)
Pretax Profit	**52.6**	**95.8**	**139.3**	**193.5**
Tax	(10.9)	(19.6)	(28.6)	(39.7)
Tax Rate (%)	*20.8%*	*20.4%*	*20.5%*	*20.5%*
Net Profit	**41.6**	**76.3**	**110.8**	**153.9**
Minority Interests	(3.4)	(4.6)	(6.6)	(9.2)
Net Att Profits	**38.2**	**71.7**	**104.1**	**144.6**
Dividends	(4.4)	(6.2)	(6.8)	(7.5)
Retained Earnings	33.8	65.5	97.3	137.1

Top shareholders *(est Free Float 16.9%*)*

Total Direct & Deemed Interests	*# shrs mil*	*% o/s*
Lim Yong Guan	675.04	*70.65%*
Lim Yong Sheng	651.38	*68.18%*
Lim Liang Eng	564.67	*59.10%*

Company disclosures, as of 8Jul26

MM Per Share

Per share data	2024	2025	2026F	2027F
EPS S$ cents	4.32	8.10	11.32	15.43
DPS S$ cts	1.40	2.00	2.20	2.42
Payout (%)	16.2%	24.7%	19.4%	15.7%
Wt avg sh o/s mil	885	885	920	938
BVPS (S$ cents)	22.54	30.81	40.93	55.77
FCF per shr S$	(8.3)	(20.3)	(0.9)	7.3

Balance Sheet *($Mil)*

Dec-yr-end, S$mil	2024	2025	2026F	2027F
Cash & ST invest	25	28	82	207
Trade Receivables	595	842	1,011	1,162
Inventories	85	135	175	210
Total current assets	712	1,014	1,276	1,579
PP&E	23	22	23	24
Net intangibles	5	6	5	5
ROU + non-curr receivables & other assets	185	195	147	79
Total non-current assets	213	223	175	109
Total assets	**925**	**1,237**	**1,451**	**1,688**
Trade payables	67	54	59	65
Borrowings	529	650	715	786
Lease liabilities	10	10	11	5
Income tax + other current liabilities	10	20	17	5
Total Current Liabilities	617	733	806	869
Borrowings	102	219	256	276
Lease liabilities	7	5	5	6
Deferred tax + non-curr payables	0	7	7	11
Total Liabilities	**726**	**964**	**1,075**	**1,163**
Share capital + reserves + NCI	57	60	60	60
Retained Earnings	127	193	290	427
Minority Interests	15	20	26	35
Total equity	**199**	**273**	**377**	**523**
Total liabilities & equity	**925**	**1,237**	**1,451**	**1,686**

Cash Flow *($Mil)*

S$ mil Dec yr-end	*2024*	*2025*	*2026F*	*2027F*
Pretax profit	52.6	95.8	139.3	193.5
Net change working capital	(175.7)	(328.7)	(205.4)	(197.2)
Non-cash adjustments	51.9	54.9	58.8	72.8
CF from Operations	**(71.2)**	**(178.0)**	**(7.3)**	**69.2**
Capital Expenditure	(1.8)	(1.6)	(1.1)	(1.2)
Others	(0.5)	(1.6)	0.6	(0.2)
CF from Investing	**(2.3)**	**(3.2)**	**(0.5)**	**(1.3)**
Debt	124.5	235.2	101.9	91.9
Others	(44.7)	(49.3)	(52.1)	(59.7)
CF from Financing	**79.8**	**185.9**	**49.8**	**32.3**
Net CF	**6.2**	**4.7**	**42.0**	**100.1**
Beg Cash	**12.4**	**18.7**	**23.3**	**65.3**
Ending Cash	**18.7**	**23.3**	**65.3**	**165.5**

MoneyMax delivered record 1H26 earnings of $52.5mil (+ 77.3% yoy). Revenue grew 34.1% to $325.7mil, driven by continued growth in core business segments; the pawnbroking segment saw revenue climbing 60.1% to $69.2mil from $43.2mil (1H25) on higher interest income from its expanding pawnbroking portfolio, while the retail and trading of gold and luxury items segment rose 30.6% yoy to $245mil from increased sales volumes.

Distribution expanded more than expectations; The Group expanded its footprint with 26 stores opened year-to-date (current total of 139) and on track to open another 10 stores in Singapore and Malaysia by end-2026 (implied +32% growth in branches).

Declared an interim tax-exempt dividend of 0.25 Singapore cent per share [RHTC forecasts 2.20 FY26F]

PBT margins for 1H26 are broadly stable, similar to RHTC's FY26F forecasts. However, net margins grew from 14.1% (FY25) to 17.0% (1H26), which suggests RHTC's forecast assumptions could be light for 15.2% (FY26) and 15.7% (FY27).

SOTP Intrinsic Value [RHTC MoneyMax Initiation report dated 26-July-26]. Given MM's business composition, we applied a Sum-Of-The-Parts (SOTP) valuation with peer group comparisons for both its businesses. For its jewellery retail business, we benchmark (and adjust for ROE differentials [column C]) against [column B] Chow Tai Fook (HK) and domestic competitor DFI Retail, while for its collateralised lending portfolio, we use an aggregate involving Singapore's Finance Companies (retail hire-purchase as collateralised lending proxy) and India's leading pawnbrokers (Muthoot and Manappuram).

Figure 1: Sum of the Parts Valuation

Business segments	FY26F Adj. PAT	Peer group avg multiples	Adjustment for ROE differential	Implied valuation	$ per shr	AVG ROE	MM ROE
Jewellery-Retail	53.54	16.70[1]	0.50	447.02	0.48	41.5%	
Pawnbroking + Secured lending	50.77	11.90[2]	1.50	906.28	0.97	11.5%	27.7%
Sub-total	104.31[3]	-		1,353.31	**1.44**		

Source: RHTC report on MoneyMax Initiation dated 26-July-2026; 1: figure 4-9 row r, 2: figure 4-9 row m, 3: Rounding difference vs FY26F net profit of $104.1.

Our resulting SOTP valuation for MM implies a market capitalisation of S$1,353mil ($1.44 per share) or potential +67% upside. Reiterate our BUY recommendation **on MoneyMax Financial with target price of $1.44 or potential 67% upside.**

Other key business risks for MM: (1) Fall in gold/diamond/luxury prices (trading margins + collateral values), (2) Significant credit losses in secured lending / pledge book, (3) Adverse regulation, e.g. lower interest caps on pawnbroking rates, and (4) New and well-funded competitors.

Valuation Risks

Risks to RHT Capital's views and Total Shareholder Return estimate:

1. Better/worse execution in pursuing new market shares that would pose an upside/downside risk to our estimates and valuation.
2. Faster/slower-than-expected organic growth would pose an upside/downside risk to our estimates and valuation.
3. A better/worse-than-expected macro/trade environment that may provide upside/downside risk to growth across business lines.

Valuation Method and Risk Statement

Investing in MM entails above-average risk given its exposure to the gold and luxury retail segment, both of which are highly susceptible to downturns in macroeconomic conditions.

Risks:

- Greater than expected macro slowdown affecting global economy.
- Potential new entrants into the luxury retail recommerce space e.g. Carousell.

APPENDIX

A-1 SWOT ANALYSIS

SWOTs	Description
Strengths	Collateralised lending business model with low default rates Able to recycle/monetise collateral into its retail business Superior net interest spreads Strong capital position enables recurrent growth strategy Beneficiary of higher gold price Large MTN program enables the lending portfolio at low cost of funds
Weaknesses	Substantial capital requirement for new branch openings drags ROIC High real estate prices constrain network growth potential in Singapore
Opportunities	Legacy single/family-owned pawnbrokers with limited capital and digital infrastructure are opportunistic acquisition targets
Threats	Significant and directional collapse in gold price Potential competition from well-capitalised new entrants

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