

SGX Consumer Discretionary focus sample



Goodwill and impairment

Five years of disclosures, 2021–2025

75 companies in the study cohort

2021–2025 disclosures and 2026–2027 outlook

Sources: SGX issuer disclosures; analyst-defined cohort [S21].

The main findings

Goodwill is the premium above identifiable net assets. Impairment reduces its carrying value.

60.18%

2025 median accumulated impairment ratio

Past losses were substantial among 12 eligible issuers, with differing acquisition histories.

12.70%

2025 median disclosed pre-tax discount rate

Higher central rates may reflect greater investment risk despite easing financing conditions.

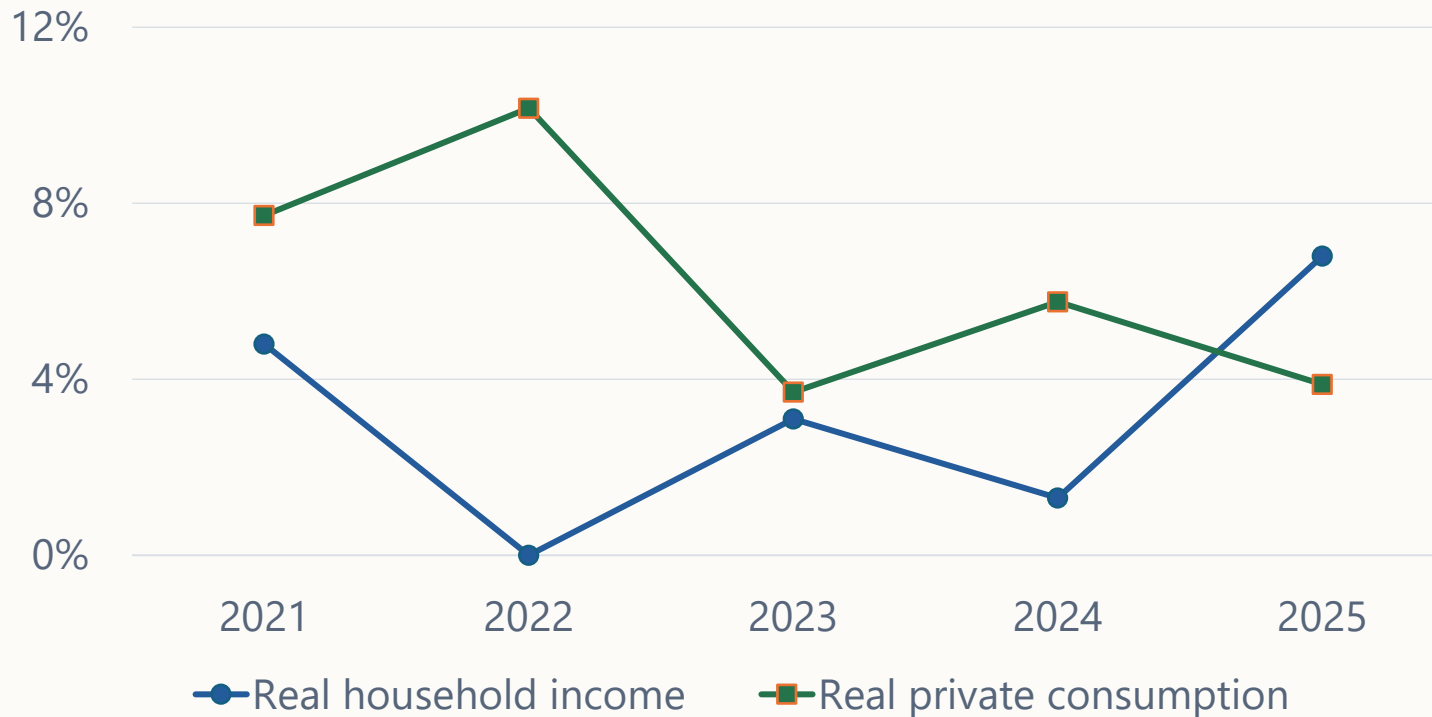
2.00%

2025 median terminal-growth assumption

Convergence around 2% suggests a slower long-run outlook in the observed disclosures.

Purchasing power strengthened as spending grew

Singapore real household income and private-consumption growth, annual YoY



6.80%

**2025 real
income growth**

3.88%

**2025 real
consumption
growth**

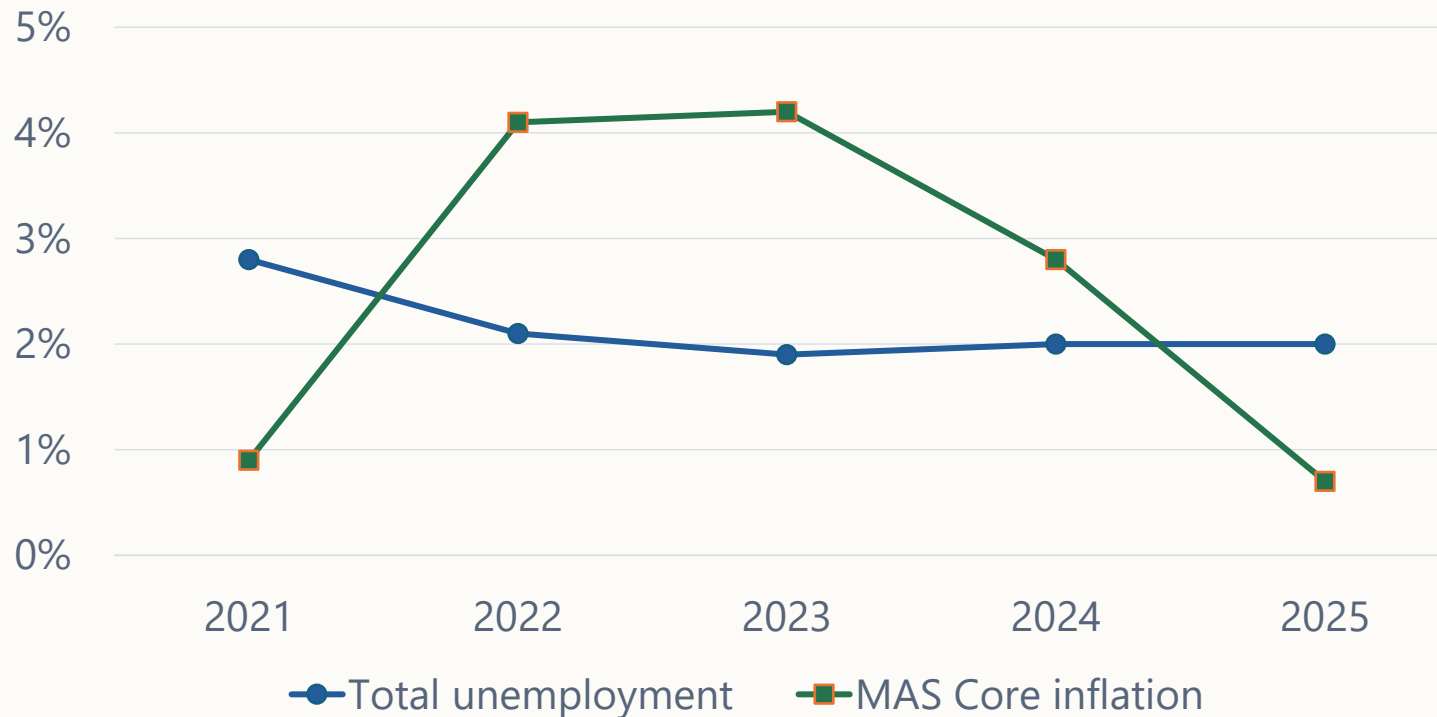
Stronger household income provides capacity for additional purchases. Businesses that capture this demand can strengthen the earnings and cash flows supporting acquired goodwill.

Household income and aggregate consumption describe different populations and measures. 2025 observations are preliminary.

Sources: SingStat M810871, M014951 [S01, S02]; calculations: Valtech.

Employment remained resilient as inflation eased

Singapore annual-average total unemployment and MAS Core inflation



2.00%

**2025 total
unemployment**

0.70%

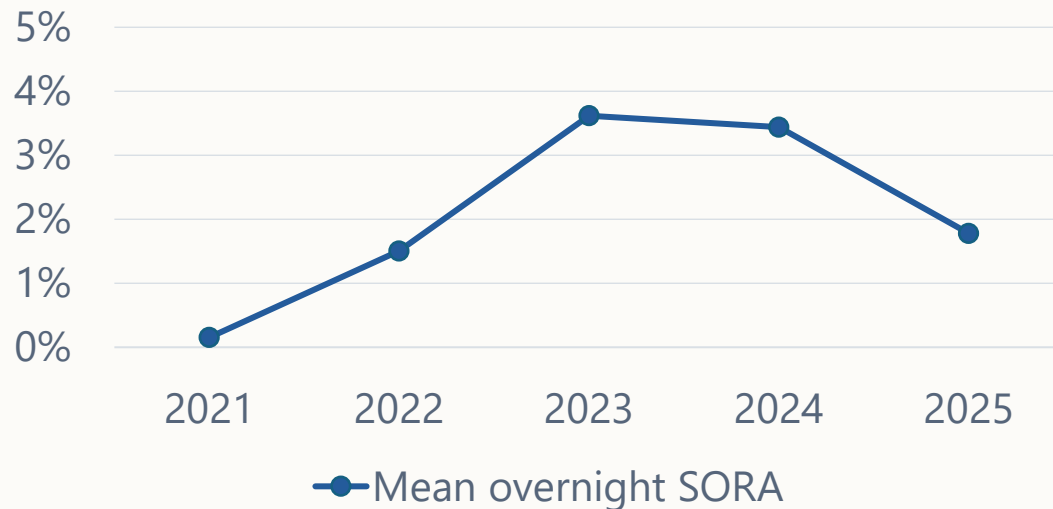
**2025 MAS
Core inflation**

Employment supports household income, while slower inflation eases pressure on purchasing power. Together they reinforce stronger real-income growth and continued consumption expansion.

Unemployment is a share of the total labour force. Core inflation is the annual-average change in MAS Core CPI.

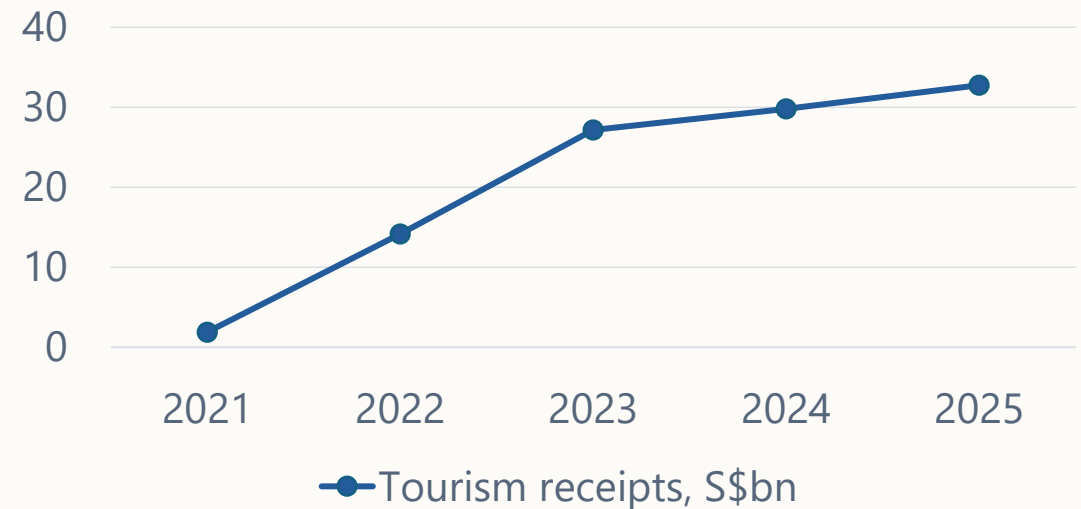
Financing eased and visitor spending expanded

Separate channels supporting household and visitor-facing demand



1.78% **2025 mean overnight SORA**

Loans that reprice downwards can lower interest payments and leave households more cash for discretionary spending.

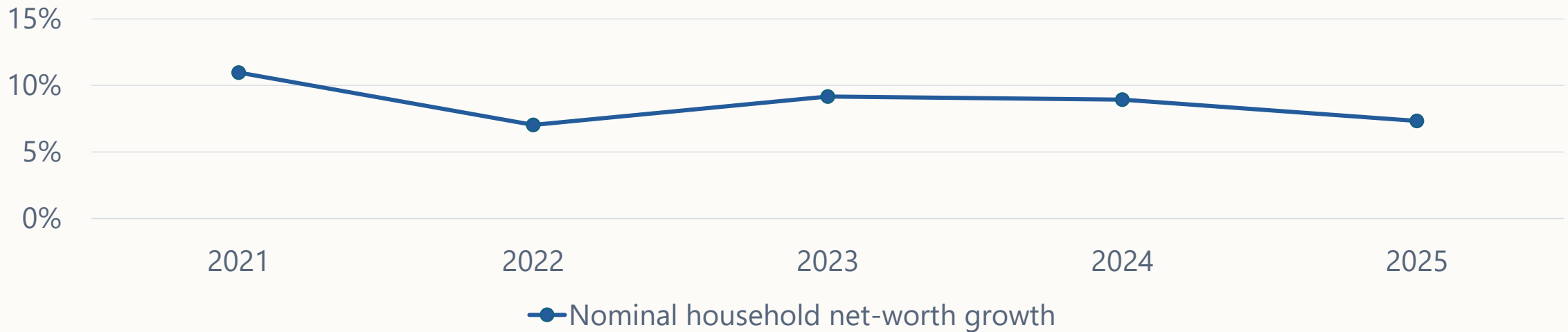


S\$32.76 bn **2025 tourism receipts**

Visitor spending supports hotels, restaurants, attractions and retail, adding demand beyond resident consumption.

Household wealth provides supplementary context

Nominal aggregate household net-worth growth, end-Q4 YoY



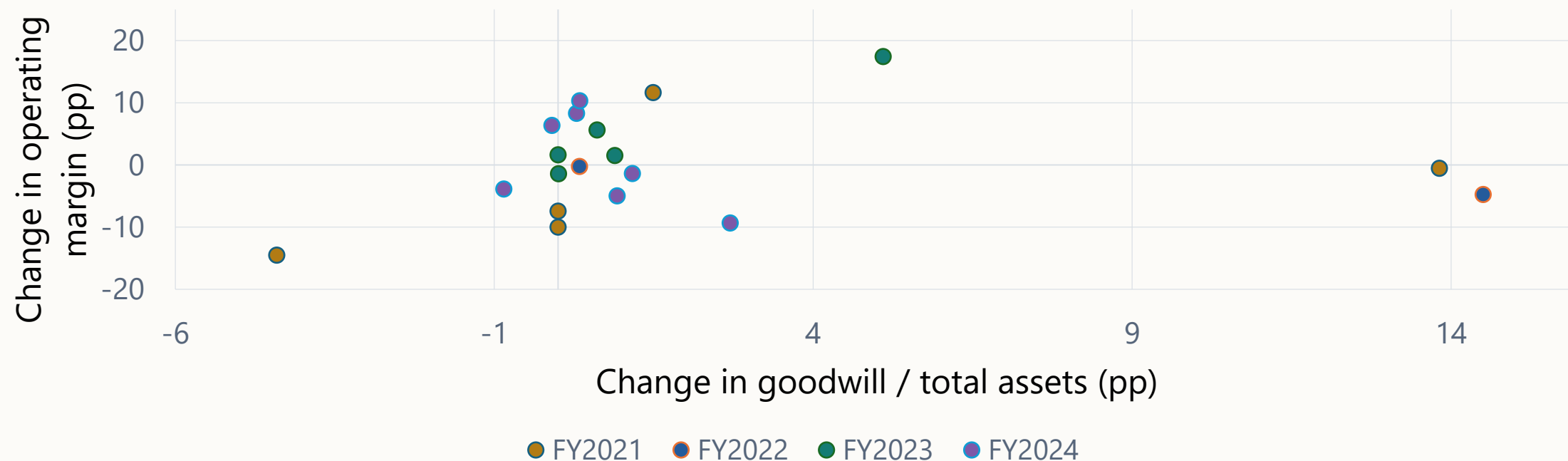
Nominal aggregate household net-worth growth moderated from 10.97% in 2021 to 7.33% in 2025.

With stable net-worth growth keeping up with spending growth and outpacing core inflation, households are likely to have more purchasing power and disposable income, potentially leading to a stronger environment for the industry.

Acquisition vs Margin observations, FY2021–FY2024

We observe percentage-point changes in the acquiring company's operating margin and goodwill-to-total-assets ratio before and after the year of an acquisition.

19 observations across 15 companies



For example, if a company acquires a target in FY2023, we compare FY2022 with FY2024. Each change is calculated as the after-year percentage minus the before-year percentage.

Sources: SGX issuer reports / IPO documents [S29,S28]; calculations: Valtech.

Acquisition performance in the observed sample

Before/after changes in consolidated group measures

Acquisitions were not consistently followed by stronger operating margins in this sample. Margins fell in 11 of 19 observations, including seven of the 13 where goodwill's share of total assets increased. These results suggest that acquisition activity and rising goodwill exposure do not necessarily accompany improved operating performance.

Pearson $r = +0.098$

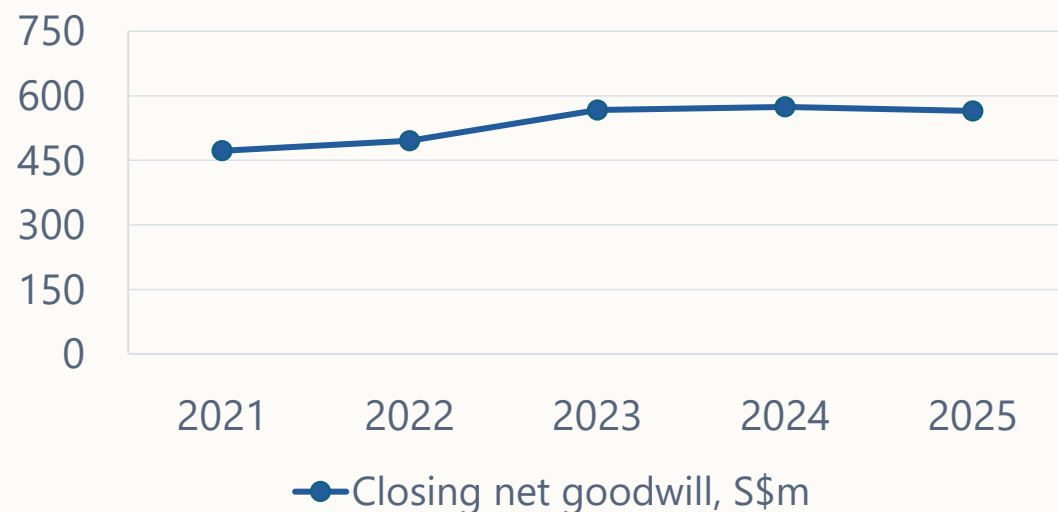
Spearman $\rho = +0.232$

The pooled linear correlation is weak. These observations describe association and do not isolate an acquisition's contribution.

One full post year, repeated issuers and overlapping endpoints limit interpretation. There is no non-acquirer control group.

Goodwill presence and monetary scale

Closing net goodwill, adjusted for consolidation overlaps, and known company balances

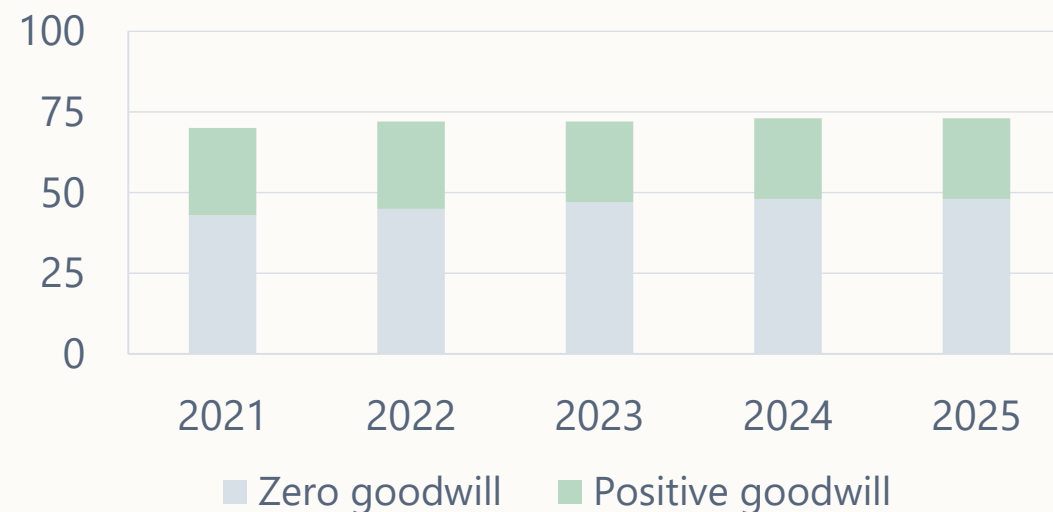


S\$564.7m

2025 adjusted closing net goodwill. Balances levelled off from 2023 to 2025 after rising from S\$472.2m in 2021.

Sources: SGX issuer reports / IPO documents [S13,S22,S12]; calculations: Valtech.

Companies with known closing balances

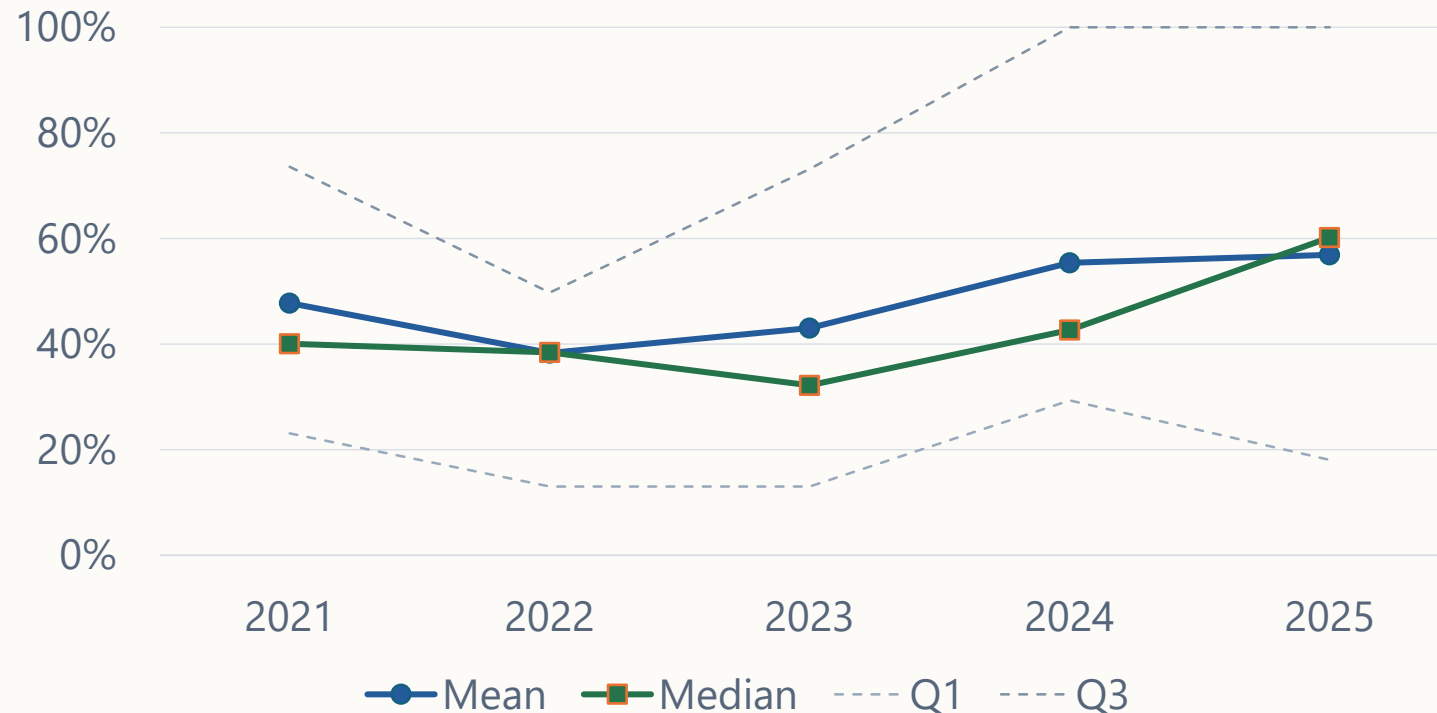


25 of 73

2025 companies with positive closing goodwill. The top three retained contributions account for 53.98% of the adjusted total.

Historical write-downs remain substantial

Accumulated impairment as a percentage of closing gross goodwill



2025 mean

56.90%

2025 median

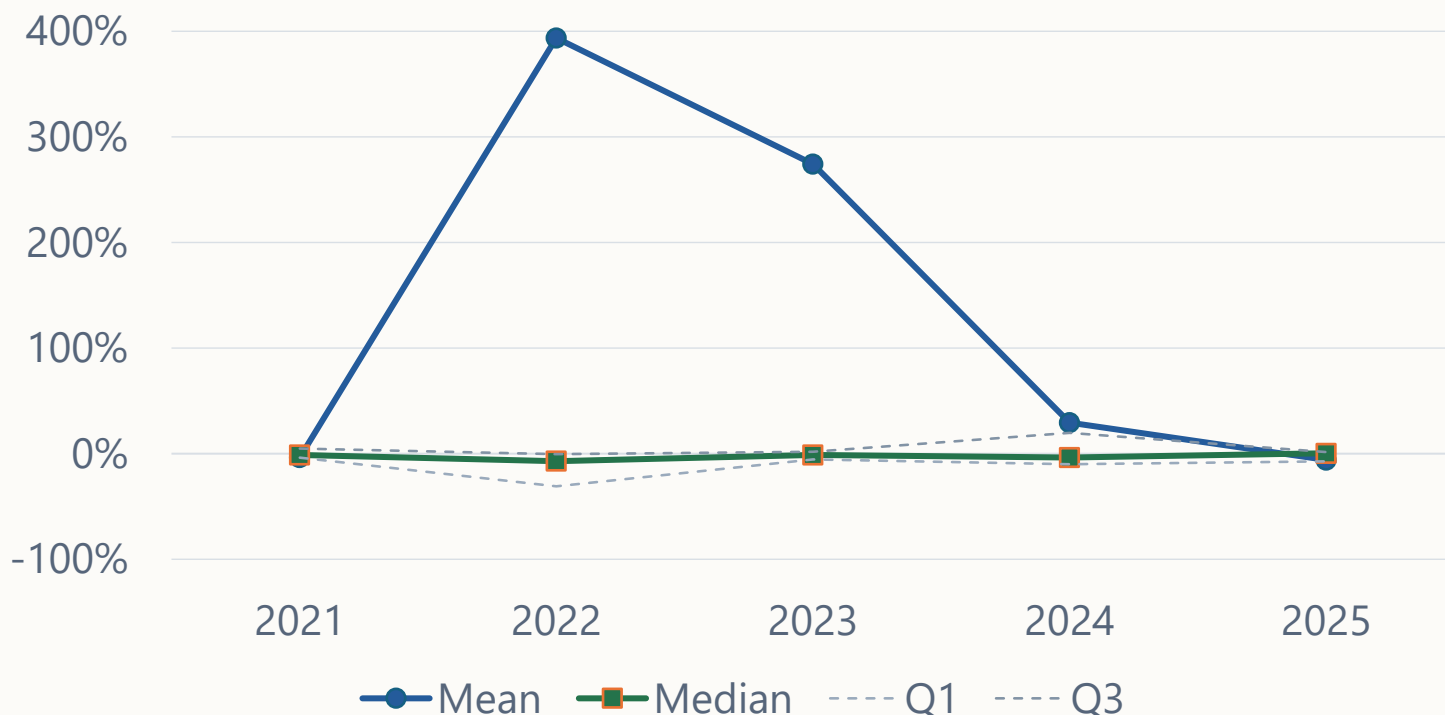
60.18%

Changing consumer preferences may shift spending away from categories where companies invested, hurting cash flows and causing impairments. Higher accumulated-loss ratios leave less existing goodwill exposed to further write-downs, until new acquisitions add goodwill.

Positive accumulated-impairment samples: 10–13 issuers per year. Q1–Q3 describes the middle half, not a confidence interval.

Net changes varied among participating companies

$(\text{Closing net goodwill} - \text{opening net goodwill}) / \text{opening net goodwill} \times 100$



2025 mean

-5.94%

2025 median

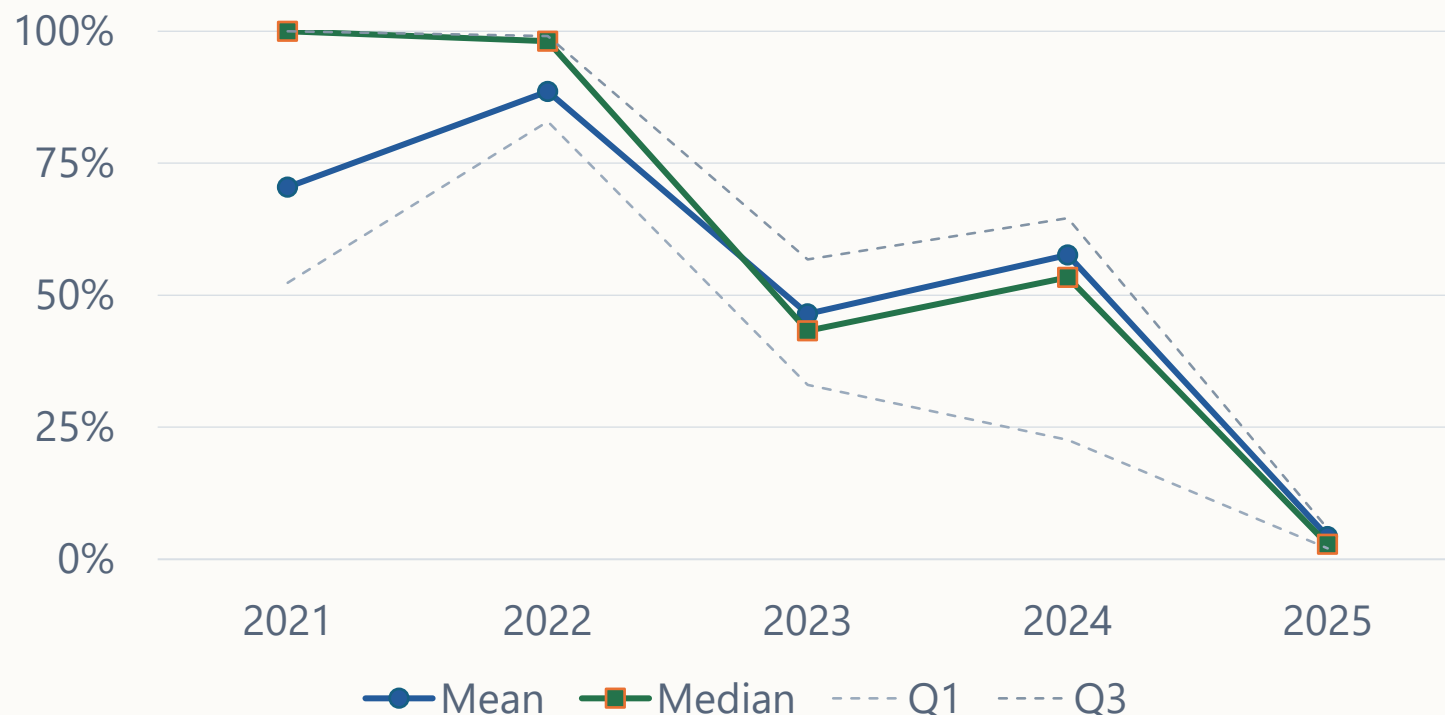
0.40%

In 2025 the typical participating company recorded a small increase. Larger reductions brought the mean below zero. Large increases on small opening balances lifted the 2022 and 2023 means.

Only nonzero changes with positive opening goodwill. 2025: 15 of 71 companies (21.13%); each company has equal weight.

Acquisitions were selective

Positive goodwill additions from acquisitions / closing net goodwill



2025 mean

4.29%

2025 median

2.83%

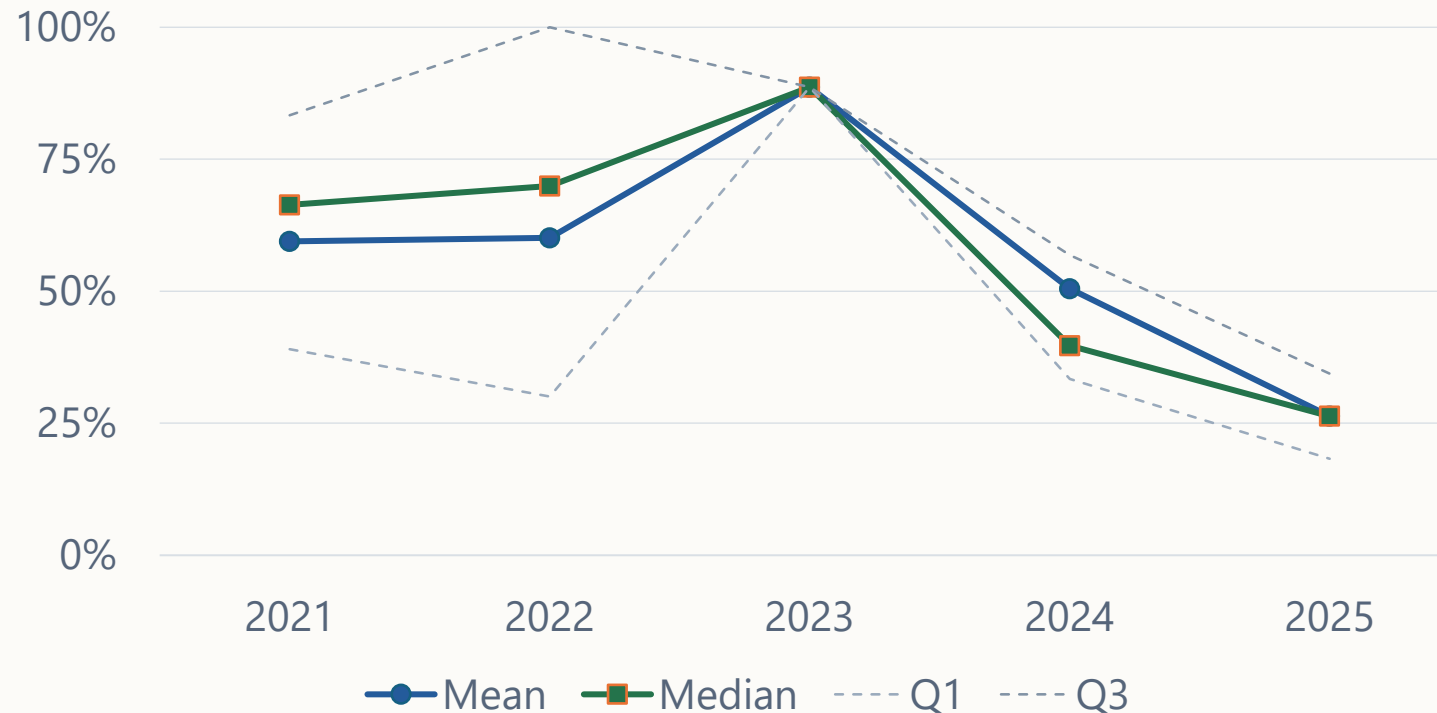
Positive additions were confirmed at 3 of 71 companies in 2025. Additions were small against participating companies' closing goodwill, suggesting limited expansion through new acquisitions.

2025 participation: 4.23% (3/71). Conditional ratios require positive additions and positive closing goodwill. Unknown fields are excluded.

Sources: SGX issuer reports / IPO documents [S14]; calculations: Valtech.

Impairments were concentrated

Goodwill impairment write-downs / opening net goodwill



2025 mean 2025 median
26.34% **26.34%**

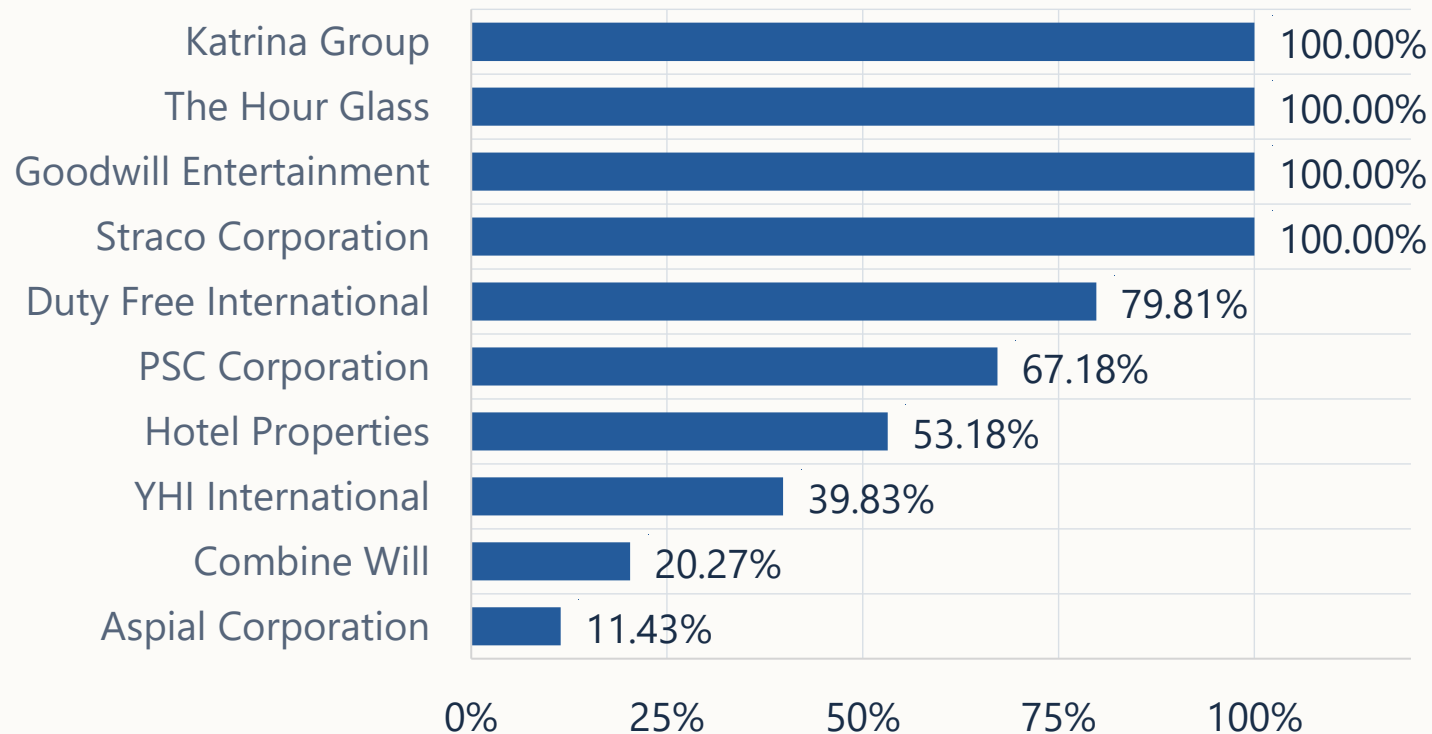
The 2025 write-downs were confirmed at PSC Corporation and LY Corporation. Limited participation still involved a meaningful loss of opening goodwill at the affected companies.

2025 participation: 2.82% (2/71). Ratios show positive charge severity among affected companies; they exclude nil charges and unknowns.

Sources: SGX issuer reports / IPO documents [S15]; calculations: Valtech.

Fully impaired balances lead the historical ranking

2025 matched accumulated impairment / gross goodwill; shared ranks use competition ranking



4 companies

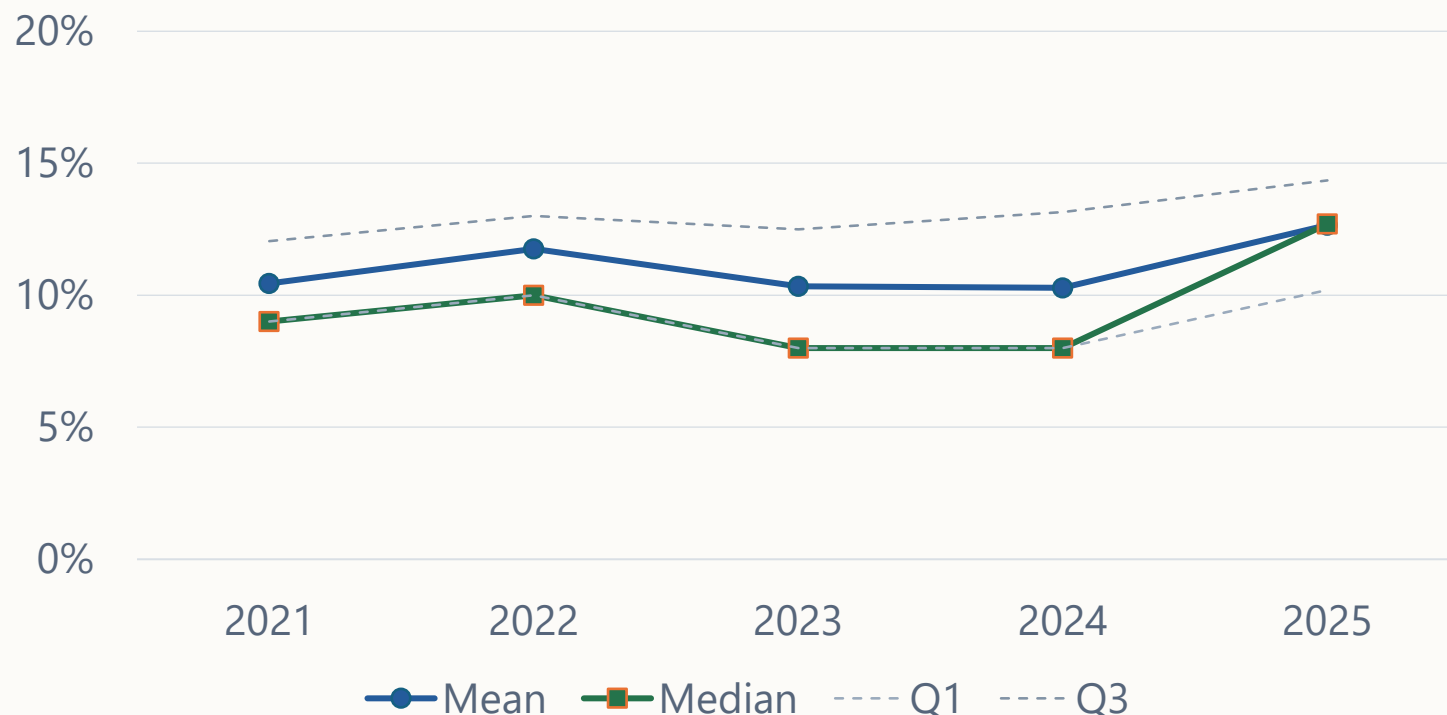
share first place

Fully written-off balances lead the ranking. Lower ratios retain more original gross cost, illustrating uneven histories of acquisition performance and write-downs.

The ratio records cumulative historical loss. It is separate from the current year's impairment charge or operating performance.

Discount-rate assumptions shifted upwards

Disclosed pre-tax discount rates used in goodwill impairment tests



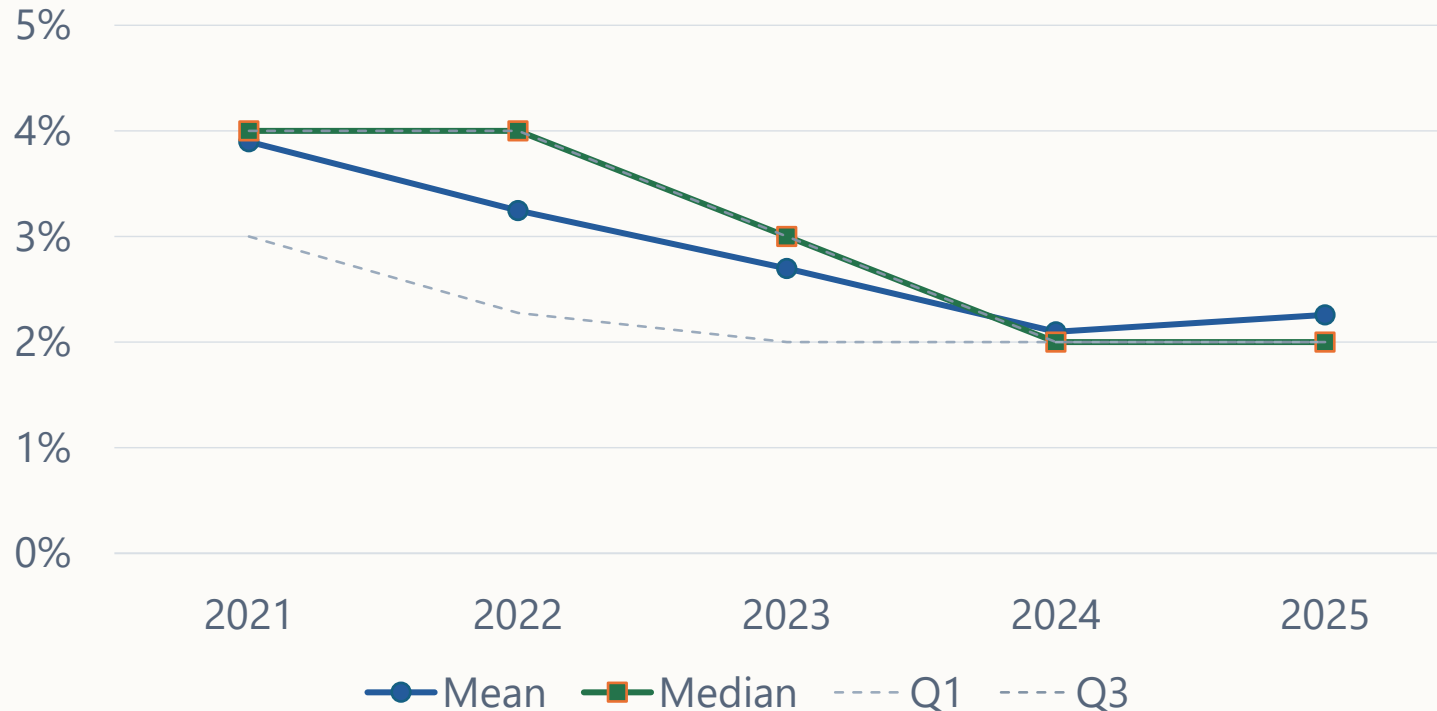
2025 mean 2025 median
12.66% **12.70%**

Rising mean and median discount rates may reflect greater perceived investment risk. Higher quartiles suggest wider caution. Falling SORA alongside rising discount rates shows that valuation assumptions reflect more than domestic financing rates.

2025: 19 disclosed inputs from 13 issuers. Samples and CGU coverage change between years; rate ranges use midpoints.

Long-run growth assumptions centred on 2%

Disclosed terminal-growth assumptions in goodwill impairment tests



2025 mean

2.26%

2025 median

2.00%

Convergence around 2% suggests a slower long-run outlook in the observed disclosures. Consumption can support demand today, but goodwill values depend on the durability of cash generation beyond explicit forecasts.

2025: 24 disclosed inputs from 16 issuers. Lower long-run assumptions coexist with continued growth in real consumption.

2026 demand remained uneven across categories

Singapore retail, foodservice and tourism signals through 6 October 2026

+0.7%

August retail-sales growth, YoY

Category differences mean acquired-business sales forecasts should reflect product mix and customer exposure.

–1.6%

August F&B-sales growth, YoY

Fast food grew 7.8% as restaurants and cafés declined, suggesting a pivot to cheaper, convenient food amid inflation concerns.

S\$31–32.5 bn

2026 tourism-receipts forecast

Hotels, attractions and visitor-facing retail benefit from demand, but forecasts should reflect moderation from 2025.

Margins and financing shape selective expansion

2026–2027 outlook alongside the reviewed FY2024–FY2025 margin comparison

1.5–2.5%

2026 core and all-items inflation forecast

Imported cost and oil-conflict pressures feed into food and retail prices, with clearer easing expected in late 2027.

–1.54 pp

Change in median operating margin

Margins fell at 41 of 64 companies as a few gains lifted the mean (+1.45 pp), underscoring the need for durable acquired earnings.

S\$133.2 bn

9M 2026 Singapore-related M&A value

A more active acquisition market creates opportunities to expand consumer businesses and add goodwill through business combinations.

What the evidence means for consumer goodwill

Lasting cash generation remains the central question for acquired businesses

Demand

Stronger purchasing power and visitor spending support demand. Businesses must capture it and convert sales into lasting cash flows.

Acquisitions

Margins fell in 11 of 19 before/after observations. Higher goodwill exposure did not consistently accompany improved operating performance.

Movements

In 2025 net goodwill changed at 15 of 71 companies. Acquisition additions and current write-downs involved smaller groups.

Valuation

Higher central discount rates and growth assumptions around 2% place more demanding expectations on cash flows.

Source appendix

Primary sources, reporting periods and source locators

Company disclosures	SGX-filed issuer annual reports and IPO documents, FY2021–FY2025. The following source register gives issuer, year, PDF pages and direct links.
Domestic indicators	SingStat M810871 , M014951 , M213901 , M550371 and M700981 . MOM overall unemployment . MAS overnight SORA .
2026–2027 outlook	SingStat August2026 sales ; STB2026 tourism forecast ; MAS July2026 inflation outlook . Direct links and locators follow.
Acquisition study	SGX annual reports and the Goodwill Entertainment IPO document support the endpoints and deals. Sources and PDF pages follow in the appendix.
LSEG 9M2026 Report	The Business Times and Singapore Business Review provide secondary reporting on the retained M&A figures.

Direct primary sources; detailed document links and PDF pages in the appendix deck.