

4 June 2025

FREEDOM HOLDING CORP. KAZAKHSTAN SERVICES PMI[®]

Service sector activity growth strongest since
July 2022

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About the report

The Freedom Holding Corp. Kazakhstan Services PMI[®] provides a timely snapshot of service sector performance. The report tracks monthly changes in activity, demand, employment and prices, compiled from survey responses from a representative panel of service providers.

KEY FINDINGS

May 2025

Stronger increase in new orders drives sharper upturn in activity...

... but business sentiment hits six-month low...

... and job shedding continues

The Services PMI Business Activity Index is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The index varies between 0 and 100, and is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. A reading above 50 indicates an increase compared to the previous month, and below 50 a decrease. The index is seasonally adjusted. For more information on the PMI survey methodology, click [here](#).

Freedom Holding Corp.
Kazakhstan Services PMI
Business Activity Index

May 2025

54.3



SERVICE SECTOR ACTIVITY GROWTH STRONGEST SINCE JULY 2022

Kazakhstan's services activity rose markedly in May, and at one of the strongest rates in the series history which stretches back to March 2019.

The Freedom Holding Corp. PMI[®] signalled a fifth successive monthly rise in business activity. The uptick was underscored by a sharper rate of expansion in new business. However, service providers remained reluctant to renew their hiring activity, with job shedding recorded for a third straight month.

This reluctance could in part be explained by a more cautious outlook for activity in May. The level of optimism weakened notably from April.

The headline figure is the Business Activity Index. This is calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The index varies between 0 and 100, with a reading above 50 indicating an increase and below 50 a decrease. The index is adjusted for seasonal variation.

As has been the case in each month since the turn of the year, the headline Business Activity Index posted above the 50.0 no-change mark midway through the second quarter. May's figure of 54.3, up from 51.4 in April, signalled a stronger and sharp increase in business activity across the Kazakhstan service sector. Moreover, the pace of growth accelerated for a third month running to the fastest since July 2022, when the rate of expansion hit a survey high. In fact, the latest uptick was amongst the fastest recorded in the series history.

The rise in Kazakh service sector activity was largely linked back to strong growth in new business. The rate of expansion here quickened in the latest survey period, thereby stretching the current run of growth to seven months. New business also rose to one of the greatest degrees in the survey history. Monitored companies attributed the

latest rise to new contract wins, marketing events, and a growing number of customers and tourists.

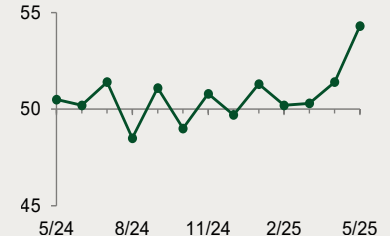
Kazakh service providers expressed strong positive sentiment for the year ahead outlook for activity in May. Nearly half the panellists anticipate their output to rise in the coming 12 months, compared to only around 13% that predict a cut. However, confidence fell for a second straight month to the weakest since November last year. The loss in confidence was linked to planned changes to VAT, as well as concerns surrounding economic stability.

The less upbeat outlook regarding activity prospects was reflected in firms' reluctance to increase their payroll numbers despite strong growth of new orders. Employment was reduced for a third straight month in May. Albeit signalling only a fractional drop in staffing levels, the respective seasonally adjusted index signalled the most marked reduction in just over a year.

Turning to inflationary pressures, service providers based in Kazakhstan recorded a cooling in May. Input costs, though rising sharply, increased at a weaker pace than the series average. Where a rise was seen, however, survey respondents linked this to higher energy costs and unfavourable exchange rate movements of the tenge against the US dollar and Russian ruble.

In line with cooling cost pressures, the rate of output price inflation also slowed from that seen in April. Increased competition meant that some firms raised their prices, however. Overall, charges rose solidly in May.

Freedom Holding Corp. Kazakhstan Services PMI Business Activity Index, sa, >50 = growth m/m



Data were collected 12-27 May 2025. Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

COMMENT

Yerlan Abdikarimov, Director of Financial Analysis Department at Freedom Finance Global PLC (100% subsidiary of the Freedom Holding Corp.):

"The surge in activity in the services sector has largely resulted from sustained domestic demand and the execution of new contracts. At the same time, it is important to note that economic uncertainty has increased – primarily due to tax reforms. The adverse impact of currency fluctuations and inflationary pressure has also continued to impact operating expenses, which continue to rise sharply. All of this has

undoubtedly affected business sentiment and expectations for the year ahead. In such conditions, companies are logically focusing on prudent resource management and expanding their client base – one of the few stable priorities in the current environment."

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Freedom Holding Corp. Kazakhstan Services PMI Business Activity

Index, sa, >50 = growth m/m. Dots = long-run average.



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.



DEMAND, EMPLOYMENT AND OUTLOOK

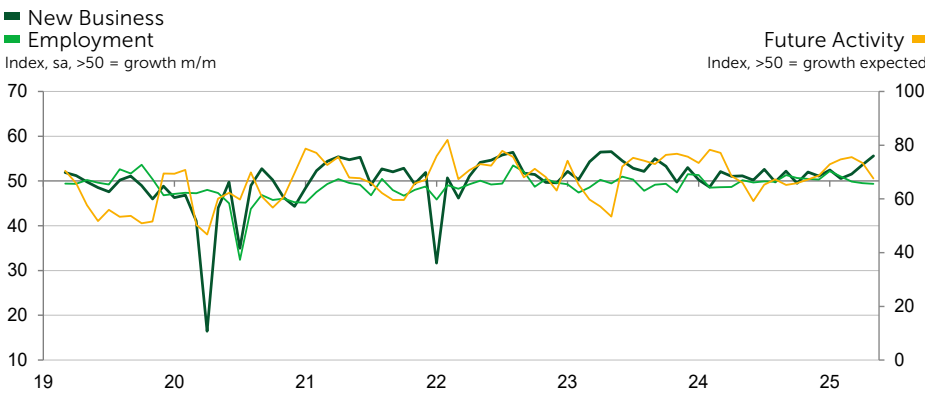
New business rises sharply across Kazakhstan service sector, but confidence wanes.

A seventh consecutive monthly rise in new business was recorded during May. The rate of expansion accelerated further since February, reaching its strongest pace since the survey record posted in May 2023. Firms attributed the increase in service requests to new contract wins, event hosting, and a growing number of customers and tourists.

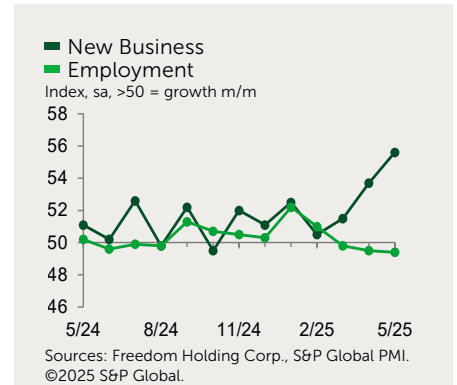
Business sentiment in the service sector remained optimistic in May. That said, the level of confidence dipped notably

to a six-month low. While companies are hopeful for new contracts and an expanding customer base fuelled by events, planned adjustments to VAT along with rising competition and economic instability led to a more cautious outlook.

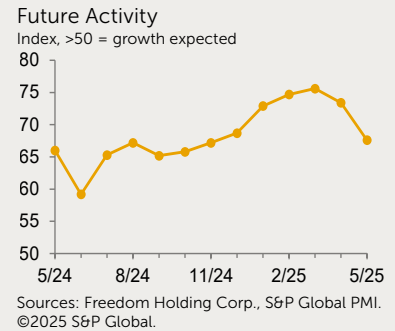
The slightly subdued outlook partly explained why firms were hesitant to take on additional staff despite increasing business demands. Employment declined for the third consecutive month in May. The rate of job shedding was slight, yet the strongest in over a year. Anecdotal evidence also indicated instances of layoffs.



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

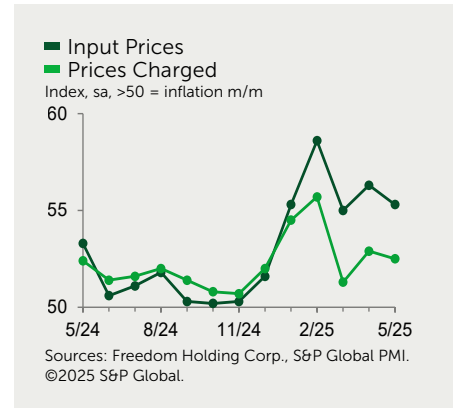


INFLATION

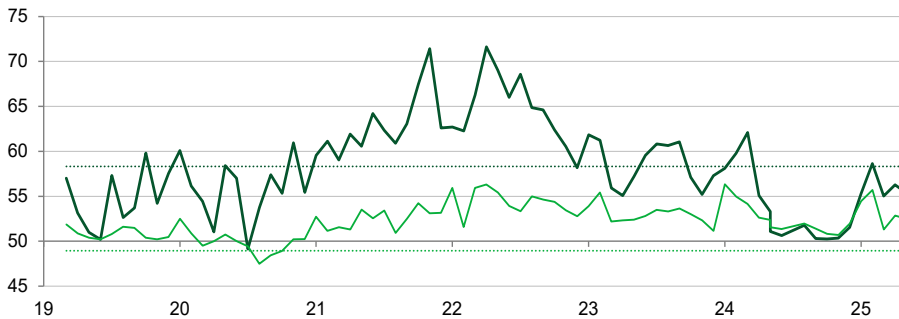
Price pressures ease across the Kazakh service sector in May.

Though input prices rose sharply, the pace of inflation softened. Less than 9% of respondents noted a rise in input costs, linked to rising electricity prices and fluctuations in currency exchange rates, particularly the depreciation of the tenge against the US dollar and ruble. Meanwhile, remaining businesses saw no change to their expenses on the month.

Kazakh service providers often passed higher operating expenditures on to clients, thereby resulting in a further rise in output charges. However, the pace of inflation slowed from the month prior.



■ Input Prices
■ Prices Charged
Index, sa, >50 = inflation m/m. Dots = long-run average.



KAZAKHSTAN COMPOSITE PMI[®]

Kazakh private sector activity rises at strongest pace in two years

The latest Kazakhstan Composite PMI Output Index rose from 51.2 in April to 53.0 in May, its highest mark since the corresponding month two years ago. The uptick was driven by a strong expansion in service sector activity. Meanwhile, manufacturing output growth cooled and was only marginal.

However, both the manufacturing and service sectors recorded faster increases in new business. Aggregate new orders rose sharply and to the greatest degree in two years.

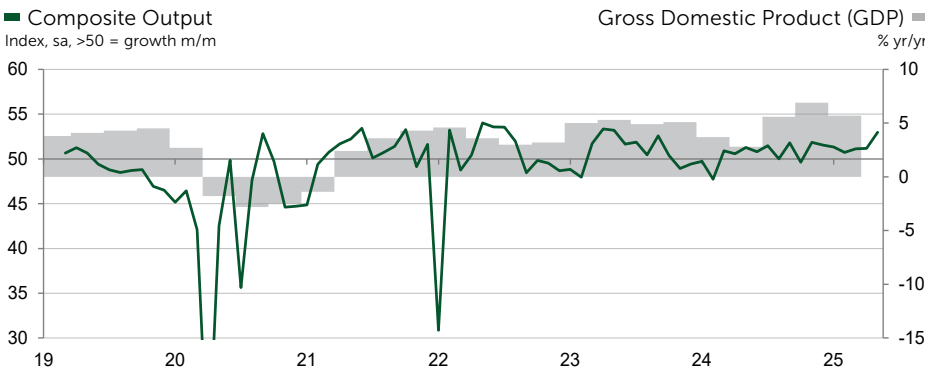
Despite rising activity and demand requirements, private sector firms across Kazakhstan reduced their staffing numbers in May. The rate of job shedding was marginal

overall and centred on service providers, however.

The year-ahead outlook for activity eased to the lowest in 2025 so far as service firms recorded a notable drop in optimism. However, overall expectations remained stronger than the series average.

The rate of input cost inflation eased to a four-month low, with output price inflation also softening on the month. Inflationary pressures were weaker than their respective long-run averages.

Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Kazakhstan Composite Output Index is a weighted average of the Kazakhstan Manufacturing Output Index and the Kazakhstan Services Business Activity Index.



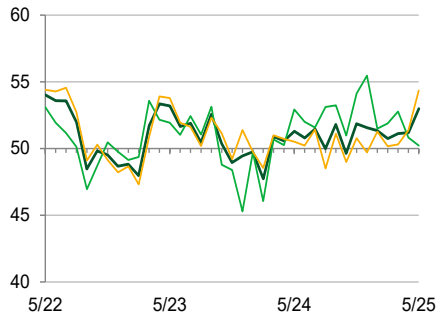
Sources: Freedom Holding Corp., S&P Global PMI. Agency of Statistics of the Republic of Kazakhstan via S&P Global Market Intelligence. ©2025 S&P Global.



■ Composite

Output

Index, sa, >50 = growth m/m

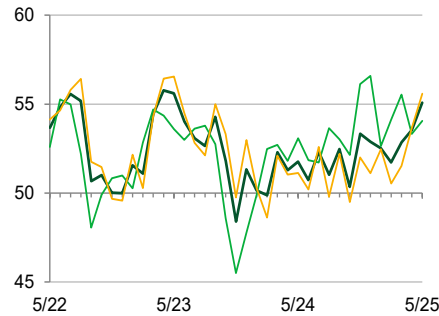


Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

■ Manufacturing

New Business

Index, sa, >50 = growth m/m

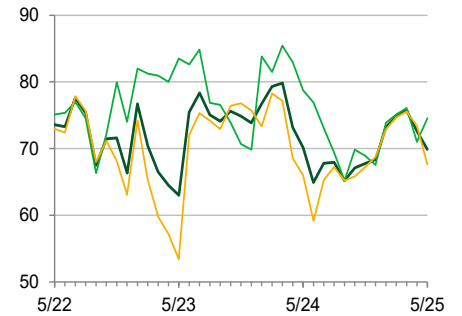


Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

■ Services

Future Output

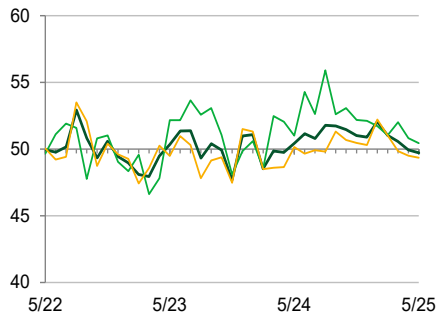
Index, >50 = growth expected



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

■ Employment

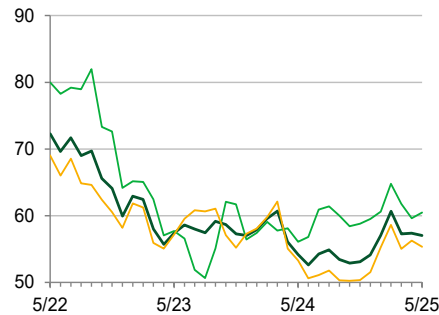
Index, sa, >50 = growth m/m



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

■ Input Prices

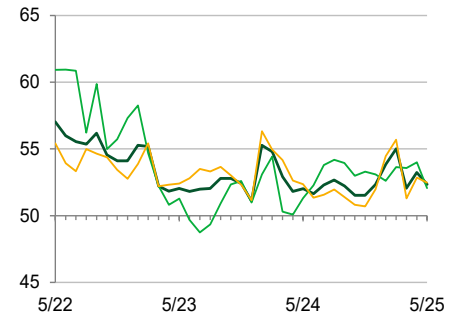
Index, sa, >50 = inflation m/m



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

■ Output Prices

Index, sa, >50 = inflation m/m



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

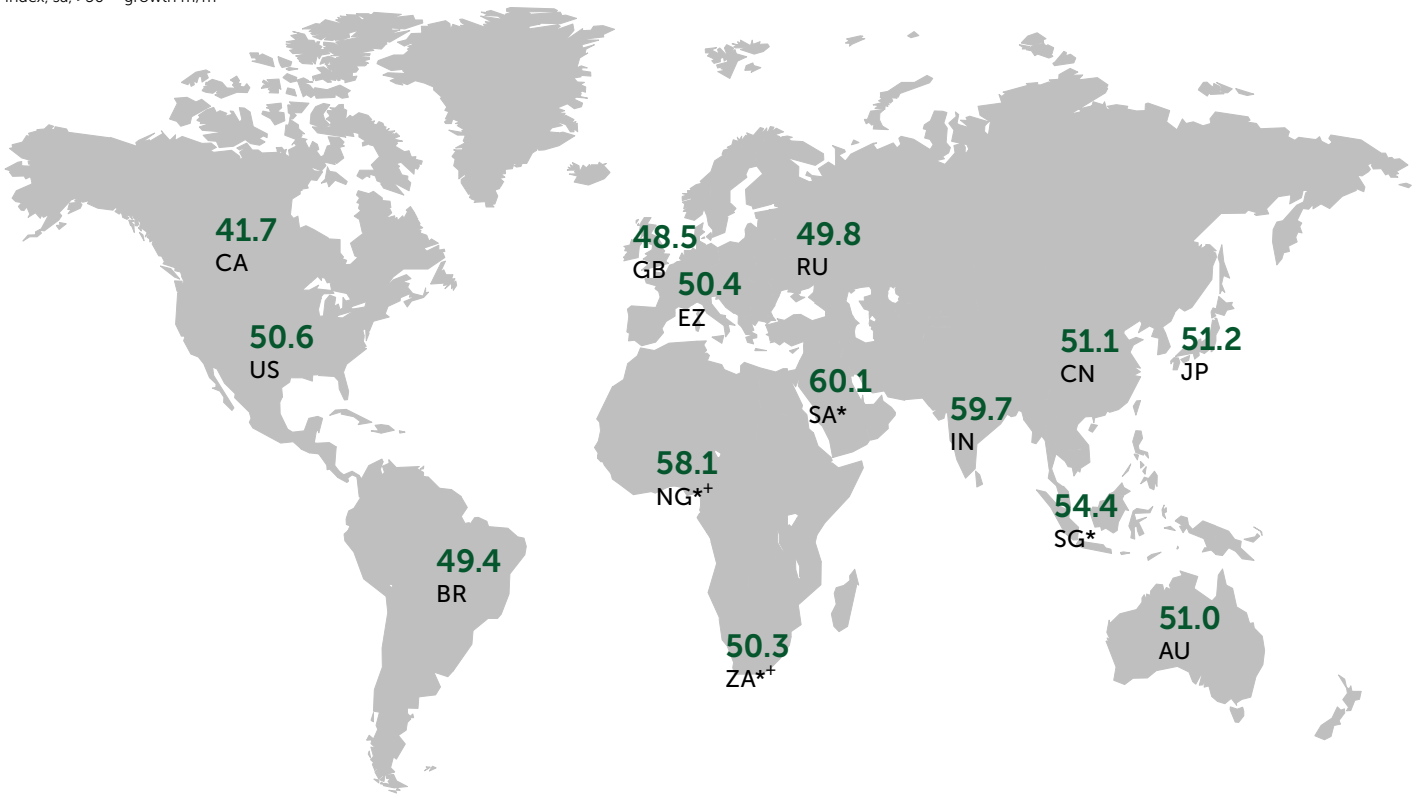
Note: Sector indices are smoothed using a three-month moving average (3mma).



INTERNATIONAL PMI

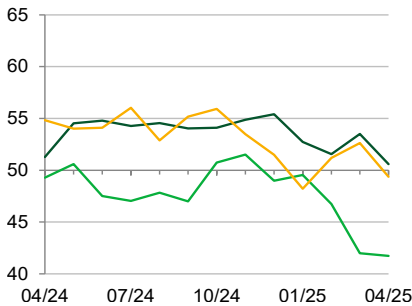
Composite Output (manufacturing and services)
Index, sa, >50 = growth m/m

Apr '25



Americas

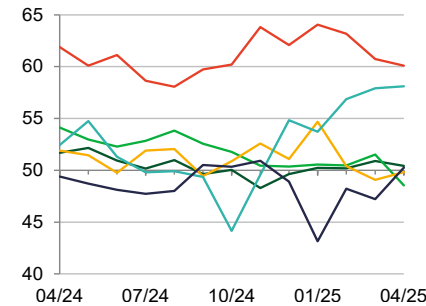
■ US ■ CA ■ BR
Index, sa, >50 = growth m/m



Source: S&P Global PMI. ©2025 S&P Global.

Europe, Middle East & Africa

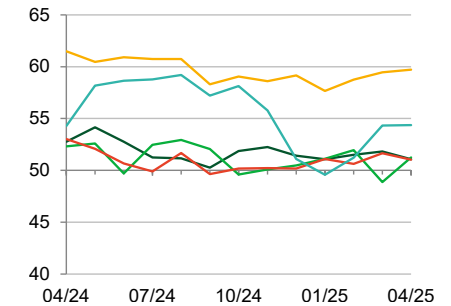
■ EZ ■ GB ■ RU ■ SA* ■ NG** ■ ZA**
Index, sa, >50 = growth m/m



Source: S&P Global PMI. ©2025 S&P Global.

Asia-Pacific

■ CN ■ JP ■ IN ■ AU ■ SG*
Index, sa, >50 = growth m/m



Source: S&P Global PMI. ©2025 S&P Global.

Key

US United States
CA Canada
BR Brazil

EZ Eurozone
GB United Kingdom
RU Russia
SA Saudi Arabia*
NG Nigeria**
ZA South Africa**

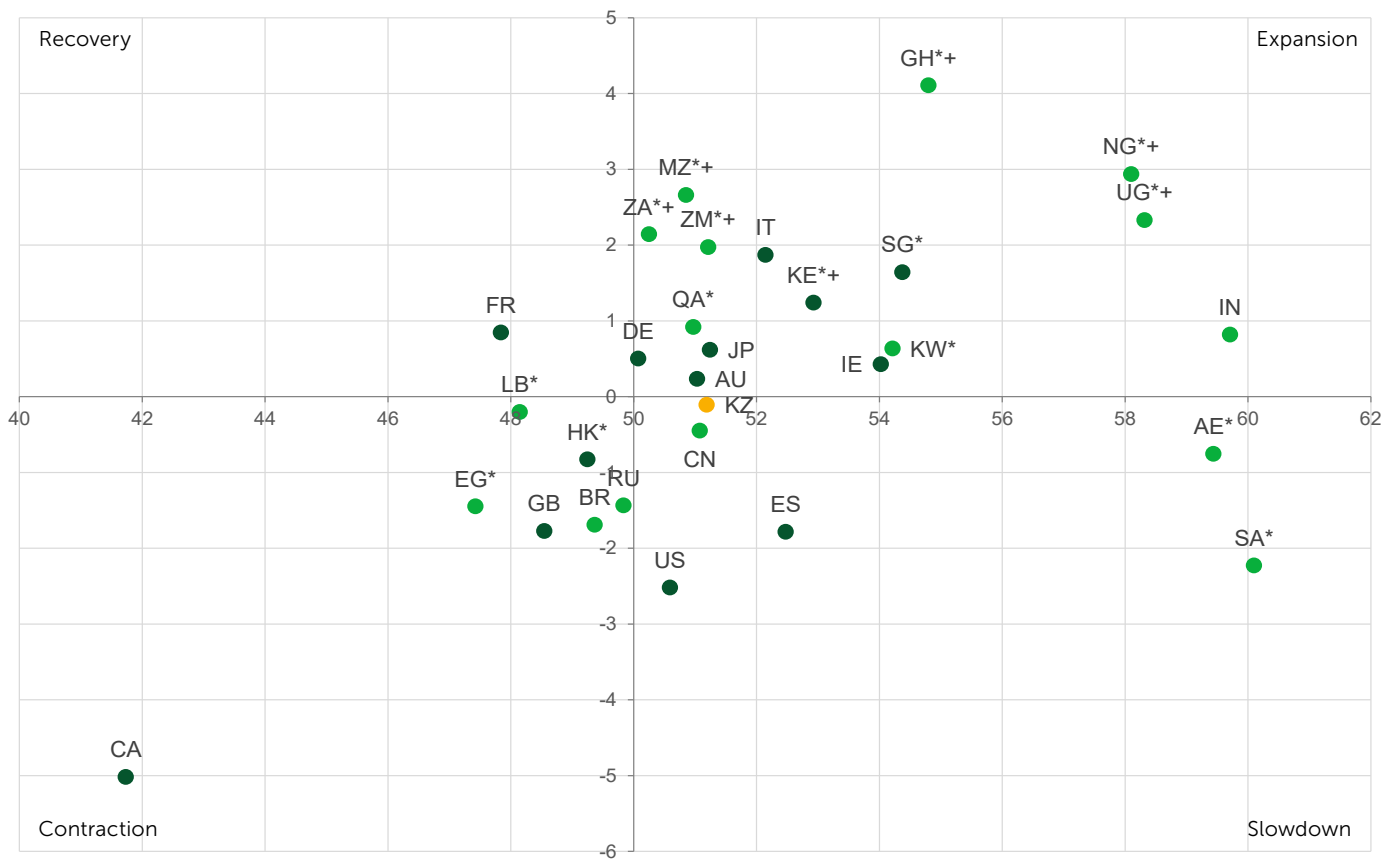
CN Mainland China
JP Japan
IN India
AU Australia
SG Singapore*

*Sector coverage also includes construction, wholesale and retail. **Sector coverage also includes agriculture and energy.

■ Advanced economies ■ Emerging economies

X axis = PMI Output Index, sa, >50 = growth m/m . Y = Change in Index vs. six-month average

Apr '25



Source: S&P Global PMI. ©2025 S&P Global.

Expansion

Regions are expanding at a faster rate than the six-month trend. Regions furthest right are growing at the strongest rate, and the highest regions are seeing the greatest acceleration in growth.

Slowdown

Regions are expanding at a slower rate than the six-month trend. Regions furthest right are growing at the strongest rate, and the lowest regions are seeing the greatest deceleration in growth.

Contraction

Regions are contracting at a faster rate than the six-month trend. Regions furthest left are contracting at the strongest rate, and the lowest regions are seeing the greatest acceleration in the rate of decline.

Recovery

Regions are contracting at a slower rate than the six-month trend. Regions furthest left are contracting at the strongest rate, and the highest regions are seeing the greatest deceleration in the rate of decline.

Key

AE United Arab Emirates*	CA Canada	FR France	HK Hong Kong SAR*	JP Japan	LB Lebanon*	RU Russia	US United States
AU Australia	CN China	DE Germany	IE Ireland	KE Kenya*+	MZ Mozambique*+	SA Saudi Arabia*	ZA South Africa*+
BR Brazil	EG Egypt*	GB United Kingdom	IN India	KW Kuwait	NG Nigeria*+	SG Singapore*	ZM Zambia*+
	ES Spain	GH Ghana*+	IT Italy	KZ Kazakhstan	QA Qatar*	UG Uganda*+	

*Sector coverage also includes construction, wholesale and retail. +Sector coverage also includes agriculture and energy.

METHODOLOGY

The Freedom Holding Corp. Kazakhstan Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 250 service sector companies.

The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in March 2019.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the

'Services PMI' but is not comparable with the headline manufacturing PMI figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

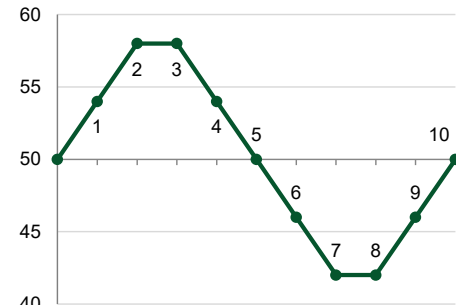
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact

economics@spglobal.com.

Index interpretation

Index, sa, >50 = growth m/m



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

Key

- | | |
|--------------------------|----------------------------|
| 1 Growth, from no change | 6 Decline, from no change |
| 2 Growth, faster rate | 7 Decline, faster rate |
| 3 Growth, same rate | 8 Decline, same rate |
| 4 Growth, slower rate | 9 Decline, slower rate |
| 5 No change, from growth | 10 No change, from decline |

Survey size

250 service providers

Survey history

March 2019

Survey questions

Business activity, new business, new export business, future activity, employment, outstanding business, input prices, prices charged

Sector coverage

International Standard Industry Classification (ISIC) code

H Transportation and storage

I Accommodation and food service activities

J Information and communication

K Financial and insurance activities

L Real estate activities

M Professional, scientific and technical activities

N Administrative and support service activities

P Education*

Q Human health and social work activities*

R Arts, entertainment and recreation

S Other service activities

*Private sector only

FURTHER INFORMATION

Freedom Holding Corp.

Freedom Holding Corp. is a diversified company. It provides financial services and brokerage services securities trading, investment research and consulting, investment banking and underwriting services, mortgages, insurance, telecommunications, online sales of airline tickets and event tickets, offer online supermarket services and many others.

The Holding, including subsidiaries, employs more than 6.8 thousand people.

The headquarters of Freedom Holding Corp. is in Almaty (Kazakhstan) with supporting administrative offices and subsidiaries locations in 22 countries including Kazakhstan, the United States of America, Cyprus, Poland, Spain, Uzbekistan, Azerbaijan and others.

Freedom Holding Corp.'s common stocks are registered with the U.S. Securities and Exchange Commission and trades under the ticker symbol FRHC on the Nasdaq Capital Market.

www.freedomholdingcorp.com

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