

RECOMMENDATION

Hold**JSC «Kaspi.kz» (KSPI)**Upside: **-1%**Target Price: **\$88**Last price: **\$88.6****STOCK MARKET****Equity Valuation | EVA****Kazakhstan | Fintech, Bank**

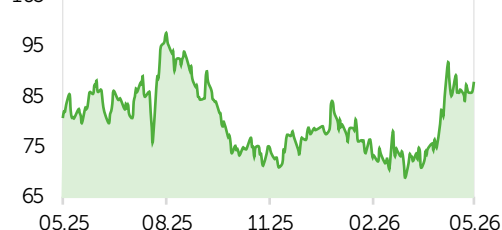
FLASHNOTE /UPDATE

Kaspi.kz: Q1 2026 Results

Interest revenue, 3M '26 (KZT billion)	452
Net fee revenue, 3M '26 (KZT billion)	605
Net income, 3M '26 (KZT billion)	252
Total assets, 3M '26 (KZT billion)	11 098

P/E, 3M '26 (x)	8,7x
P/B, 3M '26 (x)	2,8x
ROA, 3M '26 (%)	9,6%
ROE, 3M '26 (%)	43%
Cost of Risk, 3M '26 (%)	0,7%
Net Margin (%)	23%

Market cap (million USD)	16 169
Shares issued (million units)	190,23
Free float (%)	33,9%
52-week min/max (USD)	69-99
Current price (USD)	87
Target Price (USD)	88,6
Upside (%)	-1%
Investment horizon	6-12 month
Planned price update frequency	quarterly

Stock dynamics | exchange/ticker NASDAQ/KSPI

Yield (%)	3 months	9 months	12 months
Absolute	20%	18%	-9%
vs KASE	21%	9%	-25%

Daniyar Orazbayev, CFA
Investment Analyst

(+7) 727 311 10 64 (688) | daniyar.orazbayev@fbroker.kz

Kaspi.kz JSC has published its financial results for the Q1 2026. The report is assessed as neutral: part of the growth in performance metrics was driven by the consolidation of Hepsiburada. Nevertheless, we note a sharp increase in performance metrics for the e-Commerce sub-segment within the Marketplace. Adjusted EBITDA grew by 9% YoY, but net profit slightly declined due to the consolidation of Hepsiburada's expenses and higher funding costs. The management has confirmed the 2026 forecasts for all key metrics and recommended a quarterly dividend of KZT 850 per ADR. In our valuation model, we have updated the key financial metrics, which led to certain adjustments in specific revenue and expense items. As a result, the target price per ADR has been raised from \$87 to \$88, implying a 1 % upside potential. Recommendation: Hold.

Core Valuation Factors. The primary risk is the ongoing pressure on the net interest margin (NIM) due to rising funding costs. Interest expenses increased by 46% YoY, outpacing the growth in interest income, and this gap has not yet narrowed. Additional pressure stems from the full consolidation of Hepsiburada, which is now reflected in the full quarter's results compared to only two months in Q1 2025. Management reiterated Hepsiburada's EBITDA operating breakeven strategy in favour of investing in order growth, which is holding back consolidated margins. Management's outlook also indicates limited earnings growth in the coming year. The main catalyst is the rapid growth in e-Commerce metrics within the Marketplace segment. GMV increased by 41% YoY, and revenue rose by 58% YoY, partly driven by inorganic growth. Take rate expanded by 90 bps to 15.8% in e-Commerce, and purchase frequency per active user increased from 10.4 to 15.0 (+44% YoY). An additional positive factor is the successful issuance of five-year Eurobonds in the amount of \$600 million at a rate of 5.9% in April 2026, which strengthens the company's predictable USD liquidity position. Kaspi.kz has also reaffirmed its commitment to paying quarterly dividends of KZT 850 per ADR, corresponding to a dividend yield slightly above 8%.

Revenue and Profit: Revenue Growth, Net Profit Decline. Interest income reached a record KZT 452 billion in Q1 (+38% YoY, +2.5% QoQ). However, quarterly interest expenses have outpaced income in terms of growth rate for the third consecutive quarter (+46% YoY, +2.6% QoQ), indicating sustained upward pressure on funding costs due to the high base rate. Net fee and commission income, as well as transaction-related income, increased by 24% YoY but decreased by 14% QoQ, reflecting the seasonally strong performance in Q4. Non-interest expenses rose

by 47% YoY, primarily driven by higher cost of goods and services — a factor linked to the consolidation of the Turkish marketplace Hepsiburada's financial results (+56% YoY).

Hepsiburada: Orders Are Rising, but Profitability Remains Elusive.

The consolidation of the Turkish marketplace remains a key factor distorting the overall financial picture. A year ago, only two months of the quarter were included in the consolidation. The marketplace demonstrated solid growth in revenue, GMV, and order volume compared to Q1 2025 in real terms, denominated in Turkish Lira (TRY). However, due to the 19% YoY appreciation of KZT against TRY, the growth was not as impressive in KZT terms. In KZT, GMV increased by 3.5% YoY, while revenue declined by 0.8% YoY. However, margins have improved notably compared to the loss-making performance of the previous year: EBITDA increased by 173% in KZT; and Net Profit amounted to KZT 11.3 billion, compared to a KZT 6.5 billion loss in the prior year. We also note a solid 22% YoY increase in order volume.

Operational Metrics: Two Out of Three Forecasts Are Being Met. In the Payments segment, quarterly TPV increased by 14% YoY, which is close to management's forecast for 2026 (~15%). The number of active users increased by 6.5% YoY, while take rate decreased from 1.09% to 1.03%. As a result, revenue increased by only 7% YoY to KZT 158 billion. In the Marketplace segment, GMV, including Hepsiburada, grew by 19% YoY — in line with the annual forecast of approximately 20%. Take rate expanded from 11.1% to 12.1%. As a result, segment revenue increased by 49% YoY to KZT 520 billion. However, it should be noted that part of this growth was driven by the consolidation of Hepsiburada. Revenue from the purely Kazakhstani segment increased by 17% YoY. The number of active buyers reached 20.4 million (+3% YoY). In the Fintech segment, TFV (Total Financial Volume) decreased by 2 % YoY, falling short of management's forecast of around 5 %. However, management characterises the slowdown as a managed shift in the portfolio towards longer-term products with higher yields. The average loan portfolio grew by 23% YoY and 3% QoQ, with a slowdown in growth rates. The average annual portfolio yield remained stable at 24%. The active user base in Fintech increased by 6% YoY to 14.7 million.

Our Opinion and Changes to the Valuation Model. The first-quarter report turned out to be neutral and, overall, does not alter our core thesis. Management has confirmed the 2026 guidance across all segments, thereby eliminating the risk of downward forecast revisions during the year. We note solid growth in the Marketplace and Payments segments, in line with our forecasts. Additionally, we observe increased activity in the Hepsiburada marketplace. Coupled with the acquisition of Rabobank, this effect may accelerate. On the other hand, Hepsiburada's foreign exchange losses are somewhat holding back overall growth, and the Fintech segment has shown a decline. The gap between interest income and interest expenses is likely to start narrowing, supported by the bond issuance and the expected reduction in the base rate in the second half of the year. Hepsiburada will continue to be a capital-intensive business line, absorbing the majority of the company's cash flows. Nevertheless, the quarterly dividend of KZT 850 per ADR has been confirmed and is likely to provide solid support to the price. In the valuation model, we updated the key financial indicators and arrived at approximately the same level of profit as in the previous version of the valuation. As a result, the updated target price for one Kaspi.kz ADR has been **raised from \$87 to \$88, with an overvaluation of 1%. The recommendation is the same: "Hold".**

APPENDIX

Illustration 1. Key changes in the latest version of the valuation model

Changes	Date of valuation		Growth, %	Remarks
	06-mar-2026	15-may-2026		
Adjusted EBITDA 2026, KZT billion	1 709	1 659	-3%	Updated EBITDA forecast following all changes to management's guidance
Cost of sales, 2026, KZT trillion	1,32	1,46	+11%	Actual growth rate exceeds our previous expectations
Net interest income, 2026, KZT billion	430	467	+8,6%	Forecast for a faster base rate reduction, leading to increased net interest income

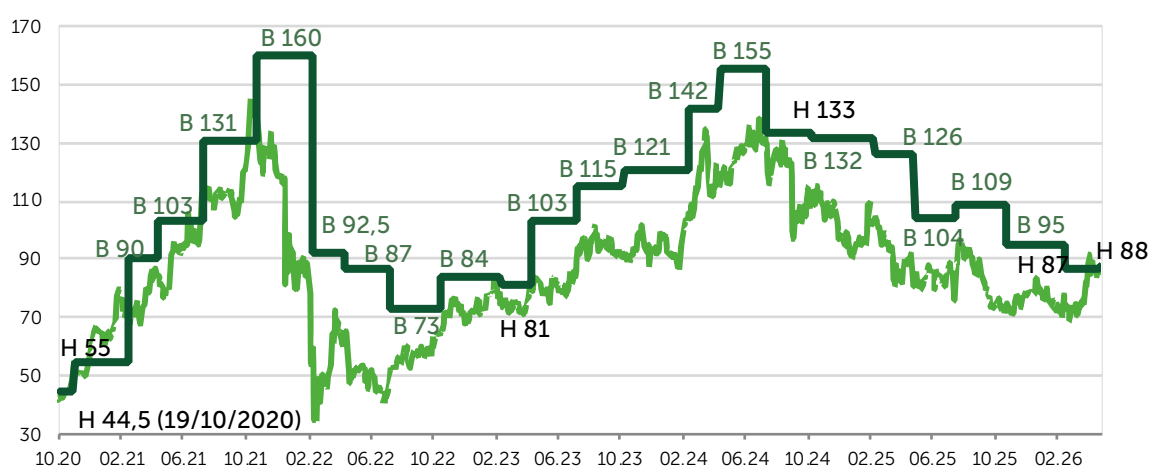
 Illustration 2. Figure 2. Previous recommendations and target prices by Freedom Broker.
 (B - "buy", H - "hold", S - "sell")


Illustration 3. Figure 3. P/E and P/B price multiples based on Freedom Broker's calculations

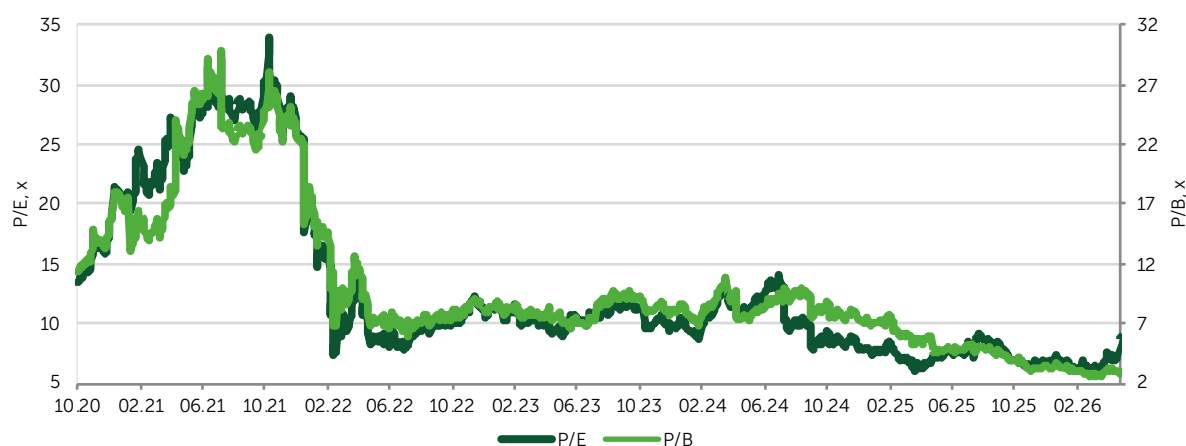


Illustration 4. Percentage of current Freedom Broker ratings for KASE index companies

Recommendation	Quantity	Percentage
Buy	3	30%
Hold	6	60%
Sell	1	10%

License <https://ffin.global/licence/>

Public company " Freedom Finance Global PLC» (hereinafter referred to as the Company) provides brokerage (agency) services in the securities market on the territory of the Astana International Financial Center (AIFC) in the Republic of Kazakhstan. Subject to the requirements, conditions, restrictions and / or instructions of the current AIFC legislation, the Company is authorized to carry out the following regulated activities under License No. AFSA-A-LA-2020-0019: investment transactions as a principal, investment transactions as an agent, investment management, providing investment advice and organizing investment transactions. The information and materials posted in this section are for reference and informational purposes only, addressed to Freedom clients Finance Global PLC is not an individual investment recommendation, is not an offer to invest in shares of various companies.

The materials contained in this document are of a reference and informational nature with respect to the object of investment research (hereinafter referred to as the Issuer), and are addressed to current retail and potential retail clients of the Company. The information contained in this document has been obtained from publicly available sources and is considered reliable by the author(s), however, the author(s) make no warranties or representations, express or implied, regarding its accuracy or completeness. The information is not intended to be used as a basis for making any investment decisions by any individual or legal entity. This information does not constitute an investment recommendation, nor is it an offer or solicitation to buy or sell any security.

Owning securities and other financial instruments is always associated with risks: the value of securities and other financial instruments may rise or fall. Past investment results do not guarantee future income. In accordance with the law, the company does not guarantee or promise future investment returns, does not guarantee the reliability of possible investments and the stability of possible income.

Disclosure of information

- The author(s) or member of his/her family of this report have no financial interest in the securities of the Issuer
- The author(s) or their family member(s) of this report are not aware of any conflicts of interest that could influence the content or publication of this report.
- The author(s) or a member of his/her family of this report do not have a sufficient amount of the Issuer's securities in their personal portfolio to have a significant impact on the quotes in the event of their sale.
- The order of subordination of the author(s) and his/her/their remuneration does not lead to a conflict of interest
- The Company and its related person do not hold 1% or more of the total issued share capital of the Issuer
- The Company and its related person do not act as a corporate broker for the Issuer.
- The Issuer does not have a significant stake in the Company's share
- The Company may be a market maker in relation to the Issuer's shares. A detailed list of financial instruments is available on the website of the Kazakhstan Stock Exchange at this link: <https://kase.kz/ru/membership/SEVEN/>

Rating system

- Buy: A stock that, at the time of rating, is expected to increase in price by more than 20 percent over the next 6-12 months.
- Hold: A stock that, at the time of rating, is expected to move in price in the range of minus 10 percent to plus 10 percent over the next 6-12 months.
- Sell: A stock that, at the time of rating, is expected to decline in price by more than 10 percent over the next 6-12 months.