

RECOMMENDATION

Buy**JSC «Kaspi.kz» (KSPI)**Upside: **27%**Target Price: **\$95**Last price: **\$75****STOCK MARKET****Equity Valuation | EVA****Kazakhstan | Fintech, Bank**

FLASHNOTE /UPDATE

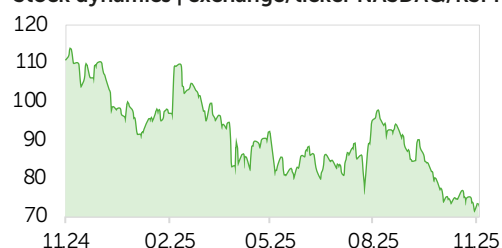
Kaspi.kz: Financial results for the 3rd quarter 2025

Interest revenue, 6M '25 (KZT billion)	1 138
Net fee revenue, 6M '25 (KZT billion)	1 746
Net income, 6M '25 (KZT billion)	791
Total assets, 6M '25 (KZT billion)	10 349

P/E, 6M '25 (x)	6,8x
P/B, 6M '25 (x)	3,3x
ROA, 6M '25 (%)	13%
ROE, 6M '25 (%)	73%
Cost of Risk, 6M '25 (%)	1,8%
Net Margin (%):	27%

Market cap (million USD)	14 309
Shares issued (million units)	191
Free float (%)	28%
52-week min/max (USD)	70,6-115
Current price (USD)	75
Target Price (USD)	95
Upside (%)	27%
Investment horizon	6-12 ай

Planned price update frequency	ТОҚСАН САЙЫН
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Stock dynamics | exchange/ticker NASDAQ/KSPI

Performance (%)	3 months	9 months	12 months
Absolute	-4%	-11%	-28%
vs KASE	-17%	-26%	-54%

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Kaspi.kz JSC released its financial results for the third quarter of 2025, which can be described as moderately positive, supported by a slight upward revision of management guidance. The company continued to show growth in interest income and overall commission revenue. On the other hand, net profit grew only slightly, remaining below the company's forecast. This was partly due to the Turkish marketplace Hepsiburada, which reported a higher net loss as it increased investments in its operations. Overall, Kaspi.kz is taking its first significant steps toward international expansion, planning to raise an additional \$100 million of capital for Hepsiburada. These developments bring the company closer to seeing the first tangible results of this strategic investment, likely in the coming quarters. Furthermore, Kaspi.kz launched a \$100 million share buyback program, reflecting management's view that the ADRs remain undervalued. In our valuation model, we updated key financial indicators and operating forecasts to align with the latest guidance. On the downside, the increase in the corporate income tax rate for the banking sector and the higher base rate, combined with a higher cost of capital, have negatively impacted our valuation. As a result, our updated target price for one Kaspi.kz ADR has increased to \$95, implying 27% upside potential from the current price. Our recommendation remains "Buy."

(=) Revenue continues to grow, but net profit rose only slightly.

Kaspi.kz reported record-high interest income of KZT 429 billion in Q3 2025, up 51% year-over-year (YoY) and 13% quarter-over-quarter (QoQ). Net commission and transaction income grew 27% YoY and 8.2% QoQ, mainly driven by the Marketplace and Fintech segments. The Marketplace segment delivered the strongest quarterly revenue growth of +207% YoY, primarily due to the inclusion of Hepsiburada. Excluding the Turkish subsidiary, segment revenue increased 24% YoY and 5.1% QoQ, according to our estimates. Meanwhile, quarterly revenue for the Fintech and Payments segments rose 24% and 10% YoY, respectively. Quarterly interest expenses increased 55% YoY, outpacing interest income growth for the first time in a while — indicating rising deposit rates. Compared to the previous quarter, interest expenses were up 13% QoQ. Non-interest expenses surged 266% YoY and 21% QoQ, mainly due to a 350% YoY increase in cost of goods sold and services following the consolidation of Hepsiburada's results. As a result, Kaspi.kz's quarterly net profit reached KZT 278 billion, up 1.3% YoY and 7.5% QoQ.

(+) Guidance is being met and have been improved. The Payments segment's total payment value (TPV) grew 17% YoY, in line with management's earlier 2025 guidance of 15–20% and close to the updated target of 20%. The number of revenue-generating transactions in the segment increased 20% YoY, while active users rose 7.5% YoY. The Marketplace segment's GMV rose 12% YoY, or 20% excluding Hepsiburada, within the prior 2025 forecast range of 15–20% and consistent with the revised 19–21% target. The segment's take rate improved to 10.3%, up from 9.5% in the previous quarter. Active buyers grew 10% YoY to 8.6 million. In the Fintech segment, total finance value (TFV) increased 17% YoY, exceeding management's 15% forecast, which was reaffirmed. The loan portfolio expanded 31% YoY and 7.9% QoQ, maintaining momentum after several quarters of sequential slowdown. The average annual portfolio yield remained stable at 24%. The Kaspi.kz app user base continued to grow modestly — for the first nine months of 2025, daily active users (DAU) reached 10.4 million (+8.3% YoY, +1% QoQ) and monthly active users (MAU) hit 15.3 million (+6.3% YoY, +2% QoQ). Management's net profit guidance excluding Turkey was revised upward to 18–20% growth in 2025, from the previous 15%. In fact, net profit for the first nine months grew 6.8% YoY, or 14% YoY excluding Turkey.

Changes in the valuation model and our opinion Overall, Kaspi.kz's Q3 report can be considered moderately positive. While net profit is still below guidance levels, operational metrics improved, and management raised its guidance. We also note increased investments in Hepsiburada — marketing spending in Q3 nearly doubled YoY, and the company also invested significantly in a new delivery service, which had not been done previously. Kaspi.kz plans to increase Hepsiburada's capital by another \$100 million, signaling accelerated expansion in Turkey, with first tangible results likely to appear in upcoming quarters. Growth momentum in Hepsiburada's quarterly operating and financial indicators remains stable. In Kazakhstan, one growth driver for Marketplace GMV may be Kaspi's AI assistant, which, according to internal experiments, has boosted marketplace sales. Kaspi.kz also announced a \$100 million ADR buyback program for 2026, despite its ongoing investments in Turkey — a signal that management considers the company's stock undervalued. In our valuation model, we updated growth forecasts for the Marketplace and Payments segments according to the latest management guidance and slightly improved Hepsiburada's outlook based on recent results. However, the higher base rate negatively affected the model through an increase in the cost of equity and projected interest expenses. Additionally, the corporate income tax rate for banks rising from 20% to 25% starting in 2026 had a negative effect. On the other hand, the appreciation of the tenge since our previous valuation provided some offsetting benefit. As a result, our updated valuation for one Kaspi.kz ADR stands **at \$95, implying 27% upside** from the last market price. Recommendation — **Buy.**

APPENDIX

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

Changes	Date of valuation		Change, %	Comments
	06.08.2025	12.11.2025		
Interest expense, 2025, billion KZT	825	876	+6,2%	Increase in funding costs due to National Bank base rate hike
USDKZT exchange rate	537	525	-2,2%	Decrease in exchange rate at the time of valuation
Average corporate tax rate in forecast period, %	20	24	+4 pp	Higher actual numbers relative to our forecasts

Illustration 2. Previous recommendations and price targets from Freedom Broker. (B - "buy", H - "hold", S - "sell")

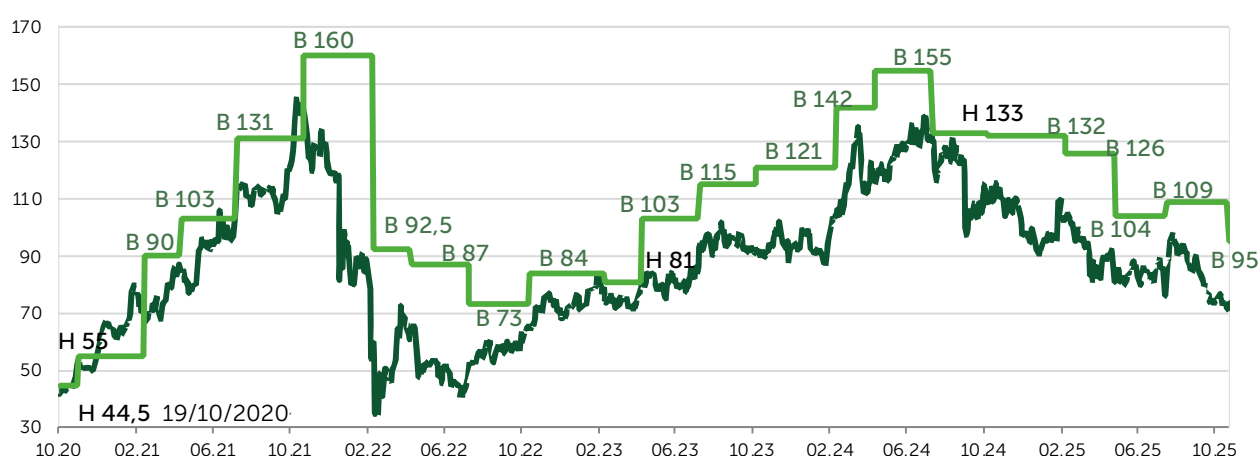


Illustration 3. P/E and P/B multiples according to Freedom Broker estimates

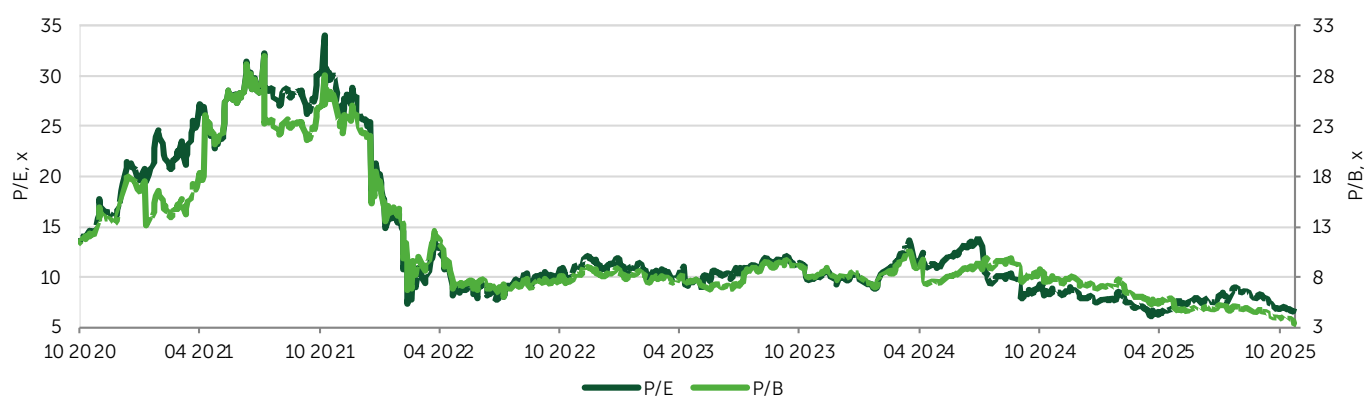


Illustration 4. Current Rating Percentage from Freedom Broker for KASE securities

Recommendation	Quantity	Percentage
Buy	7	70%
Hold	2	20%
Sell	1	10%

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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.