

RECOMMENDATION

Hold**JSC «Kaspi.kz» (KSPI)**Upside: **17%**Target Price: **\$87**Last price: **\$74.6****STOCK MARKET****Equity Valuation | EVA****Kazakhstan | Fintech, Bank**

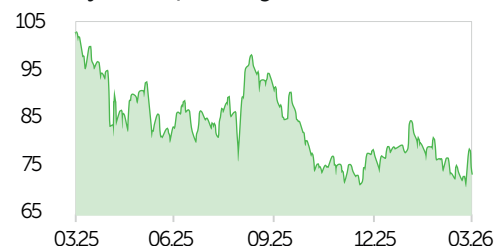
FLASHNOTE /UPDATE

Kaspi.kz: Q4 2025 Results

Interest revenue, 6M '25 (KZT billion)	1 579
Net fee revenue, 6M '25 (KZT billion)	2 449
Net income, 6M '25 (KZT billion)	1 068
Total assets, 6M '25 (KZT billion)	11 082

P/E, 6M '25 (x)	6,6x
P/B, 6M '25 (x)	2,8x
ROA, 6M '25 (%)	13%
ROE, 6M '25 (%)	70%
Cost of Risk, 6M '25 (%)	2,2%
Net Margin (%)	26%

Market cap (million USD)	14 601
Shares issued (million units)	191
Free float (%)	28%
52-week min/max (USD)	70-105
Current price (USD)	74,6
Target Price (USD)	87
Upside (%)	17%
Investment horizon	6-12 months
Planned price update frequency	quarterly

Stock dynamics | exchange/ticker NASDAQ/KSPI

Yield (%)	3 months	9 months	12 months
Absolute	-5%	-20%	-29%
vs KASE	-18%	-29%	-67%

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Kaspi.kz JSC published its financial results for the Q4 2025. We assess the report as neutral: Interest income and fee and commission income continued to grow; however, outpacing interest expense growth and Hepsiburada's unprofitability led to a slight decline in quarterly net profit. Management's 2025 forecasts were generally met, but the 2026 guidance for GMV Marketplace and TFV Fintech is below our expectations, which is the main factor weighing on the valuation. The updated target price per ADR is \$87, with 17% upside potential from current levels.

Core Valuation Factors. The main risk is ongoing pressure on margins. Interest expenses are growing faster than interest income (59% YoY vs 43% YoY), reflecting the rising cost of the deposit base amid a high base rate. This gap has not yet narrowed, and higher interest expenses are factored into the 2026 forecast. Hepsiburada's unprofitability is adding pressure. Management's 2026 GMV growth forecasts (~20% including Hepsiburada) and TFV (~5%) are also more modest than our previous estimates.

The main catalyst is the strengthening of tenge, which has positively impacted the company's US dollar valuation. Furthermore, the imminent completion of the Rabobank acquisition could yield potential synergies, although this will likely require additional investment initially. The company confirmed its commitment to pay quarterly dividends of KZT 850 per share (at the 2024 level), representing a dividend yield of 9.2%.

Revenue and Profit: Revenue Growth, Net Profit Decline. In the Q4, interest income reached a record KZT 441 billion (+43% YoY, +2.8% QoQ). Net fee and transaction income grew by 19% YoY and 4.4% QoQ, driven by the Marketplace and Fintech segments. However, quarterly interest expenses outpaced revenue growth for the second consecutive year (+59% YoY, +6.1% QoQ), indicating a steady increase in funding costs. Non-interest expenses increased by 247% YoY, primarily due to consolidation of Hepsiburada's product and service costs (+288% YoY). As a result, quarterly net profit amounted to KZT 277 billion (-13% YoY, -0.4% QoQ). Excluding Hepsiburada, net profit of Kazakhstani business increased by 0.8% YoY and 4% QoQ.

Hepsiburada: Orders Are Rising, but Profitability Remains Elusive.

Consolidation of the Turkish marketplace remains a key factor distorting the overall picture. Hepsiburada's net loss amounted to KZT 42 billion for the quarter. Revenue in the Marketplace segment grew by 221 % YoY overall, but when excluding Hepsiburada, the growth was 13 % YoY and

20 % QoQ (seasonal effect). The quarterly order trend is encouraging, as the annual growth rate is accelerating. Management plans to continue investing in increasing the number of orders and customer engagement, so Hepsiburada is unlikely to break even in the coming quarters.

Operational Metrics: Forecasts Proved Accurate, but 2026 Targets Are More Modest. In the Payments segment, quarterly TPV grew by 15% YoY, and annual TPV by 19% YoY, close to management's forecast (~20%). The number of revenue generating transactions increased by 6.3% YoY, and active users by 7.4% YoY. Management expects TPV growth of ~15% YoY for 2026. In the Marketplace segment, GMV (excluding Hepsiburada) grew by 5.3% YoY for the quarter; the annual figure increased by 12% YoY, in line with the adjusted forecast (12-14%). The Take rate increased to 10.5% from 9.7% a year earlier, and the number of active users reached 8.8 million (+8.6% YoY). The 2026 forecast is for GMV growth of ~20%, including Hepsiburada. In the Fintech segment, quarterly TFV grew by 6.9% YoY, and annual TFV by 14% YoY, in line with management's forecast (~15%). The loan portfolio expanded by 25% YoY and 5.7% QoQ, slowing slightly after a recovery in Q3; the average annual portfolio yield remained at 24%. For 2026, management forecasts TFV growth of only ~5%, indicating a significant slowdown. The DAU of the Kaspi.kz app was 10.7 million for 2025 (+5.9% YoY), and the MAU was 15.7 million (+6.8% YoY).

Our Opinion and Changes to the Valuation Model. The Q4 Report doesn't change the investment thesis, but it confirms a number of concerns. The Kazakhstan business remains resilient: interest and fee income continues to grow, the loan portfolio is expanding with stable returns, and the user base is growing. However, two factors are holding back a positive revaluation. First, the gap between interest income and expense growth rates has not yet narrowed, and if the base rate remains high, pressure will continue on the net interest margin. Second, Hepsiburada remains a net consumer of capital: a loss of KZT 42 billion for the quarter significantly reduces consolidated profit, and the breakeven point remains uncertain. On a positive note, dividend payments have been resumed at the 2024 level (yield of 9.2%), which partially offsets the lack of profit growth and maintains the stock's attractiveness for dividend investors. The potential \$300 million transaction with Rabobank could create operational synergies, but will require additional investment at the outset and at the time of the transaction. In our valuation model, we have adjusted our growth forecasts for the Marketplace and Fintech segments in line with management's updated forecast and slightly improved our Hepsiburada forecast due to accelerated order intake. The increase in forecasted interest expense is partially offset by the strengthening of the tenge. Management's adjusted EBITDA growth forecast, including Hepsiburada, is ~5% for 2026. The updated target price per Kaspi.kz ADR is **\$87, with 17% upside potential.**

Recommendation — "Hold".

APPENDIX

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

Changes	Date of valuation		Growth, %	Remarks
	12-nov-2025	06-mar-2025		
Interest expenses 2026, KZT billion	1,117	1,260	+13%	Increase in the deposit base and the expectation of a higher NBRK base rate in 2026
GMV Marketplace, KZ, 2026, KZT trillion	8.56	7.95	-8%	Management's forecasted growth rates are lower than we expected
TFV Fintech, 2026, KZT trillion	131	12.3	-6%	Management's forecasted growth rates are lower than we expected

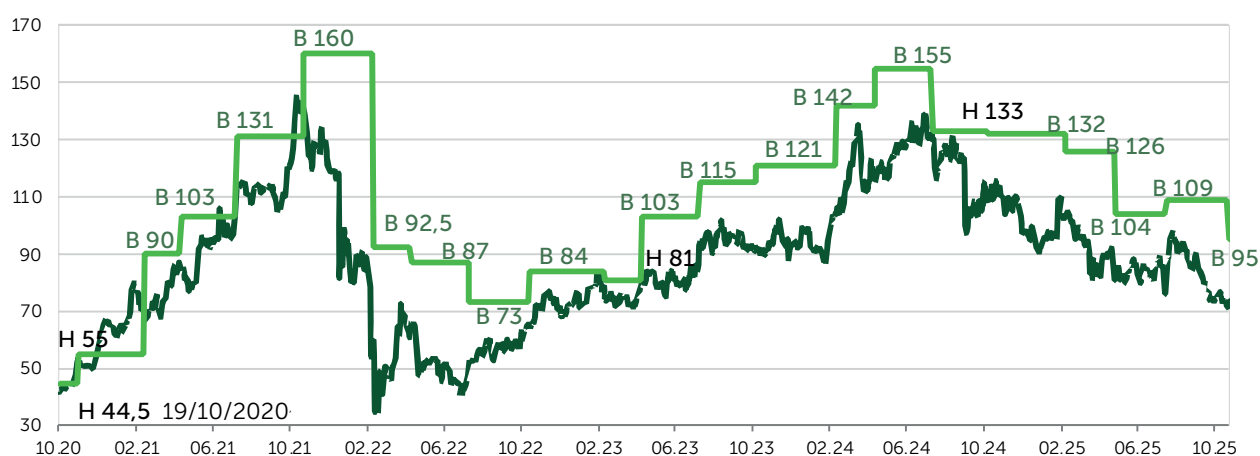
 Illustration 2. Figure 2. Previous recommendations and target prices by Freedom Broker.
 (B - "buy", H - "hold", S - "sell")


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

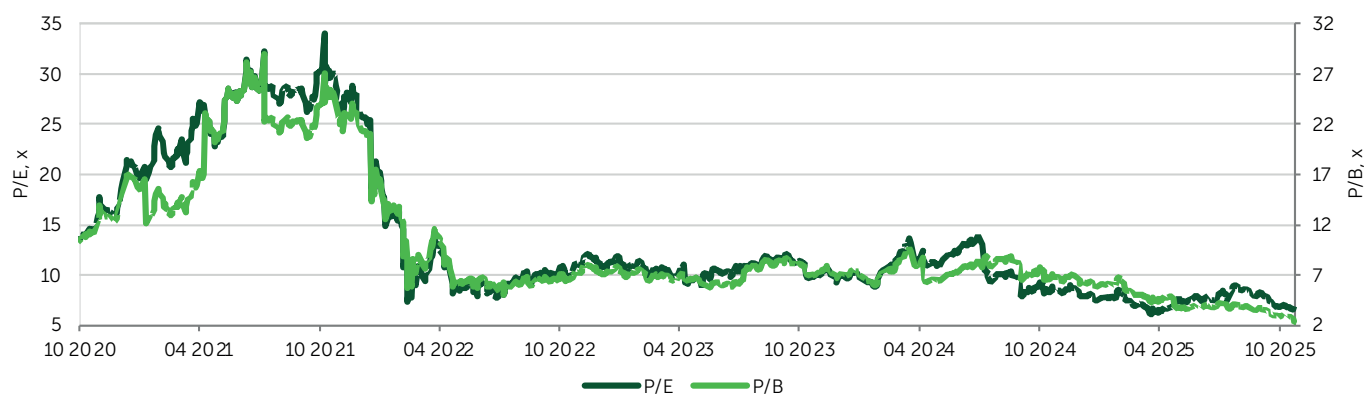


Illustration 4. Percentage of current Freedom Broker ratings for KASE index companies

Recommendation	Quantity	Percentage
Buy	4	40%
Hold	5	50%
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.