

News Release

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FREEDOM HOLDING CORP. KAZAKHSTAN MANUFACTURING PMI®

Output continues to rise in January, while cost inflation picks up

Output increases, albeit at slower pace
Input cost inflation at five-month high
Near-stabilisation of suppliers' delivery times

Growth was maintained in Kazakhstan's manufacturing sector at the start of 2025, although rates of expansion eased from December.

Manufacturers continued to secure greater volumes of new orders, leading to expansions in output, employment and purchasing activity, while there was a near-stabilisation of supply chains. On the price front, the rate of input cost inflation quickened amid currency weakness, but output prices were raised at a slower pace.

The Freedom Holding Corp. Kazakhstan Manufacturing PMI® (Purchasing Managers' Index™) remained above the 50.0 no-change mark again in January, the eleventh consecutive month in which this has been the case. That said, the reading was down from December's survey record of 53.9 to 51.5, signalling a modest strengthening of business conditions which was the least pronounced since last April.

New orders have now increased on a monthly basis throughout the past year, with the rate of expansion remaining solid despite easing from December. Panellists reported the signing of new contracts amid an improving demand environment.

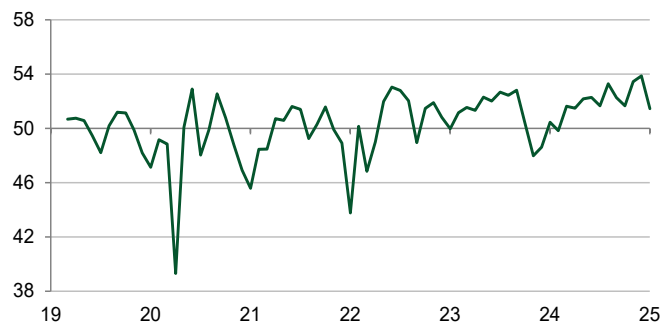
The rise in new orders encouraged firms to expand production, although in line with the headline index the pace of growth slowed markedly from the previous month's record. Production has risen continuously since March 2024.

Higher production requirements resulted in rises in both employment and purchasing activity. Staffing levels were up for the eleventh consecutive month, albeit modestly. Meanwhile, the pace of expansion in purchasing activity remained marked.

Backlogs of work increased, however, amid some reports that material shortages had delayed the completion of projects. The accumulation of outstanding business was the first in six months.

Despite sustained growth of purchasing activity, the use of

Freedom Holding Corp. Kazakhstan Manufacturing PMI
Index, sa, >50 = improvement m/m



Data compiled 09-24 January 2025.

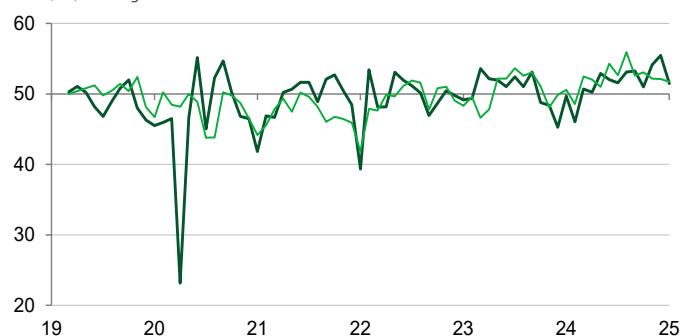
Source: Freedom Holding Corp, S&P Global PMI. ©2025 S&P Global.

Comment

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

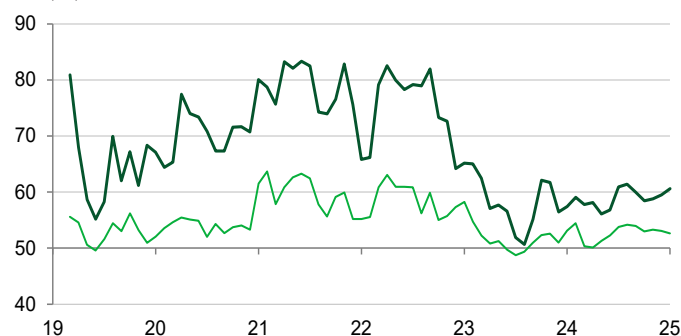
"Kazakhstan's manufacturing sector continued to grow in January, although the pace of growth slowed markedly compared to December, when the all-time high was recorded. Production volumes increased at the start of the year, supported by stable demand and new orders, which contributed to a modest expansion in employment and purchasing activity. However, the improvement in business confidence was accompanied by several challenges, including rising cost-push inflation, exchange rate fluctuations, logistical issues and raw material shortages. The observed accumulation of unfulfilled orders is likely a temporary phenomenon coinciding with the festive period. The outlook for the next 12 months remains positive, with optimism reaching its highest level in seven months."

■ PMI Output ■ PMI Employment
Index, sa, >50 = growth m/m



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

■ PMI Input Prices ■ PMI Output Prices
Index, sa, >50 = inflation m/m



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

inputs to support production meant that stocks of purchases continued to fall. Stocks of finished goods were also down, reversing a rise seen in December.

Suppliers' delivery times neared stabilisation in January, lengthening only fractionally and to the least extent in the current sequence of deterioration stretching back to December 2019.

Input costs increased sharply, with the rate of inflation quickening for the third consecutive month to the fastest since last August. Exchange rate weakness, particularly against the US dollar, was often mentioned, while higher prices for raw materials and electricity were also reported.

Output prices also continued to rise, but here the pace of inflation eased to the weakest since June 2024.

Business confidence rose sharply at the start of the year, hitting a seven-month high as more than half of respondents predicted a rise in output over the next 12 months. Sentiment was also stronger than the series average. Optimism was linked to the imminent signing of new contracts and the planned expansion of production lines.

Contact

Yerlan Abdikarimov
Financial Analysis
Department Director
Freedom Finance Global PLC
Yerlan.abdikarimov@ffin.kz
Freedom Holding Corp.

Public Relations Department,
Freedom Finance Global PLC
pr@ffin.kz
Freedom Holding Corp.

Andrew Harker
Economics Director
S&P Global Market Intelligence
T: +44 (0) 1491 461 016
andrew.harker@spglobal.com

Corporate Communications
S&P Global Market Intelligence
press.mi@spglobal.com

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Methodology

The Freedom Holding Corp. Kazakhstan Manufacturing PMI[®] is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 250 manufacturers. 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 Purchasing Managers' Index[™] (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

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.

PMI by S&P Global

Purchasing Managers' Index[™] (PMI[®]) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

www.spglobal.com/marketintelligence/en/mi/products/pmi

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

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