

5 January 2025

FREEDOM HOLDING CORP. KAZAKHSTAN MANUFACTURING PMI®

Record rise in manufacturing production at end of 2024

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About the report

The Freedom Holding Corp. Kazakhstan Manufacturing PMI[®] provides a timely snapshot of manufacturing performance. The report tracks monthly changes in output, demand, employment, prices and supply chains, compiled from survey responses from a representative panel of local manufacturers.

KEY FINDINGS

December 2024

PMI hits fresh peak amid record rises in output and orders

Purchasing activity and employment increase

Currency weakness adds to cost pressures

The PMI provides a snapshot of manufacturing performance. It is a weighted average of five sub-indices tracking reported monthly changes in new orders, output, employment, suppliers' delivery times and stocks of purchases. Each sub-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 indices are seasonally adjusted. For more information on the PMI survey methodology, click [here](#).

Freedom Holding
Corp. Kazakhstan
Manufacturing PMI
December 2024

53.9



RECORD RISE IN MANUFACTURING PRODUCTION AT END OF 2024

The Kazakh manufacturing sector ended 2024 on a positive note, seeing growth accelerate further and business conditions improve to the greatest extent since the survey began almost six years ago.

Demand improvements resulted in record increases in both new orders and manufacturing production, with firms responding by raising purchasing activity and employment. Meanwhile, cost inflation quickened again but output prices increased at a slightly slower pace than in November, and one that was weaker than the series average.

The Freedom Holding Corp. Kazakhstan Manufacturing PMI® (Purchasing Managers' Index™) hit a fresh survey record for the second month running in December, rising to 53.9 from 53.5 in November. Business conditions have now strengthened in ten consecutive months.

The latest record improvement in the health of the manufacturing sector was the result of rapid expansions in both new orders and output in December.

The rate of growth in new orders quickened for the second month running to a fresh record high on the back of widespread reports of improving customer demand.

In turn, manufacturers ramped up production. Output increased for the tenth consecutive month, and at the fastest pace in the series history, with the rate of growth surpassing the previous record set in June 2020.

Sharply rising production meant that firms were able to deplete backlogs of work again despite a rapid influx of new orders.

Capacity was boosted by sustained increases in both purchasing activity and employment in December.

Staffing levels increased modestly, but sustained job creation has been recorded since March, with firms often highlighting the securing of workers on a full-time basis at the end of the year.

Meanwhile, purchasing activity was up sharply again, with the pace of expansion broadly in line with that seen in November.

The marked rise in input buying pushed stocks of purchases nearer to stabilisation, but pre-production inventories still ticked down in December, and for the sixth month in a row. Inputs were often used to support growth of production.

Stocks of finished goods did rise, despite the widespread use of inventories to help meet sales requirements. Post-production inventories were up for the first time in seven months, albeit marginally. Firms reported that products were being held in stock prior to shipping.

Suppliers' delivery times lengthened again in December, often due to logistics issues, but the rate of deterioration in vendor performance was the least pronounced since April.

Input prices increased sharply, with the pace of inflation quickening to a three-month high. Respondents generally linked higher input costs to a depreciation of the tenge against the US dollar, but there were also reports of higher raw material prices.



In turn, firms increased their own selling prices at a solid pace, albeit one that was slower than in November and weaker than the series average.

Expectations that demand will improve further in 2025 and plans to expand production supported continued optimism in the year-ahead outlook for output. That said, sentiment dipped for the second month running.

COMMENT

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

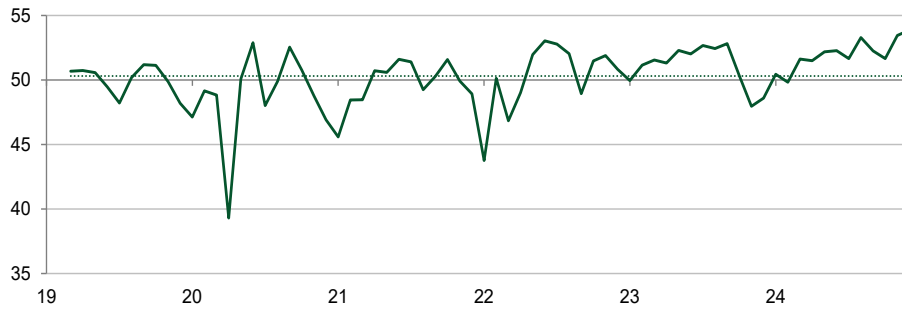
"Kazakhstan's manufacturing industry is ending the year at a historic high, achieving record growth in production volumes and new orders. The price factor remains relevant: the acceleration of cost inflation has led to an increase in selling prices.

However, the fact that the growth rate in both cases remained below the historical average adds a sense of optimism. Despite rising raw material costs and ongoing logistics challenges, manufacturers have maintained their purchasing activity and hiring efforts. Finished goods stocks have rebounded for the first time in seven months, concluding a prolonged period of depletion. Industry representatives remain optimistic about 2025, planning to expand production in anticipation of further demand growth."

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Freedom Holding Corp. Kazakhstan Manufacturing PMI
Index, sa, >50 = improvement m/m. Dots = long-run average.



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



OUTPUT AND DEMAND

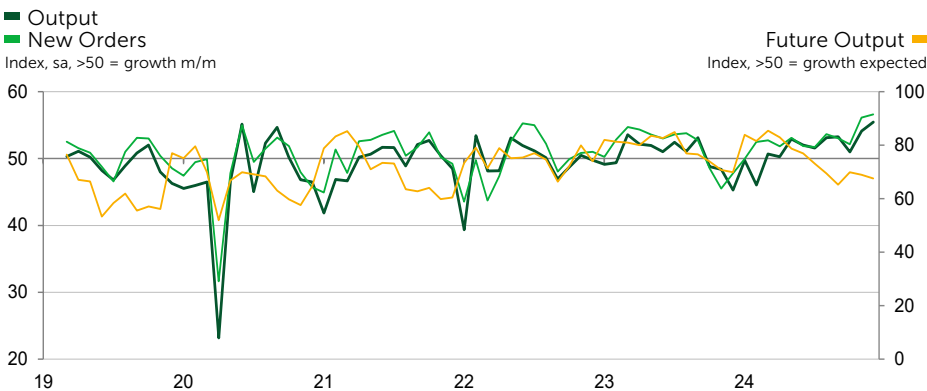
The final month of 2024 saw a further acceleration in the pace of output growth at manufacturers in Kazakhstan.

Moreover, the marked expansion in production was the sharpest since the series began in March 2019, surpassing the previous peak from June 2020.

Respondents mainly linked higher output to increases in new orders. In fact, new business also rose at the

strongest pace in the survey's history, the second month running in which a fresh peak has been achieved. Firms widely reported improvements in customer demand.

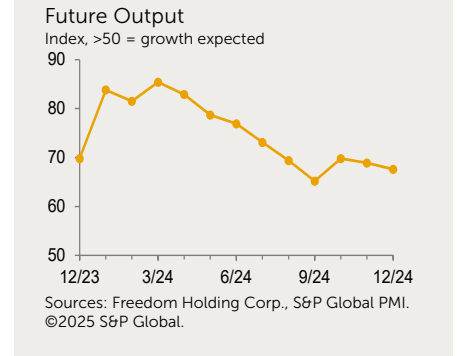
Hopes that demand for products will continue to improve in 2025 meant that manufacturers remained optimistic that output will expand over the year ahead. A number of respondents mentioned planned production growth in the new year. That said, sentiment dipped for the second month running and remained below the series average.



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.



EMPLOYMENT AND CAPACITY

Rapid growth of new orders and production requirements meant that firms took on extra staff again in December.

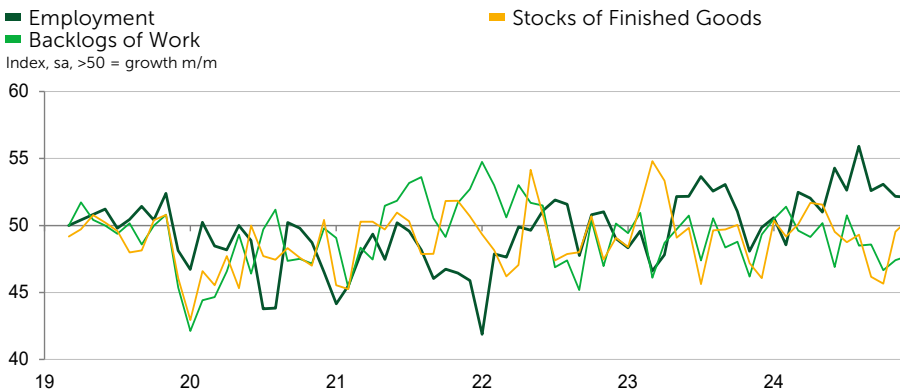
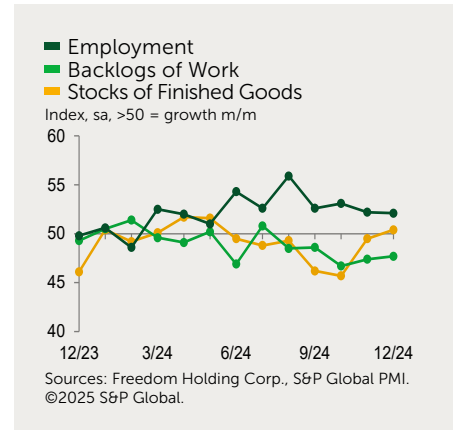
Staffing levels rose for the tenth month running, with respondents often mentioning hiring workers on a full-time basis. The pace of job creation was modest and eased fractionally to the weakest since May.

The completion of previously placed orders meant that manufacturers continued to deplete their backlogs

of work at the end of the year. Outstanding business decreased for the fifth month running, and at a solid pace.

December data signalled a renewed increase in stocks of finished goods, thereby ending a six-month sequence of depletion. According to respondents, the accumulation generally reflected products being held in stock prior to shipping.

That said, the increase was only marginal as inventories were often used to help fulfil order requirements.



SUPPLY CHAINS

Purchasing activity continued to rise, with the rate of expansion broadly in line with that seen in November.

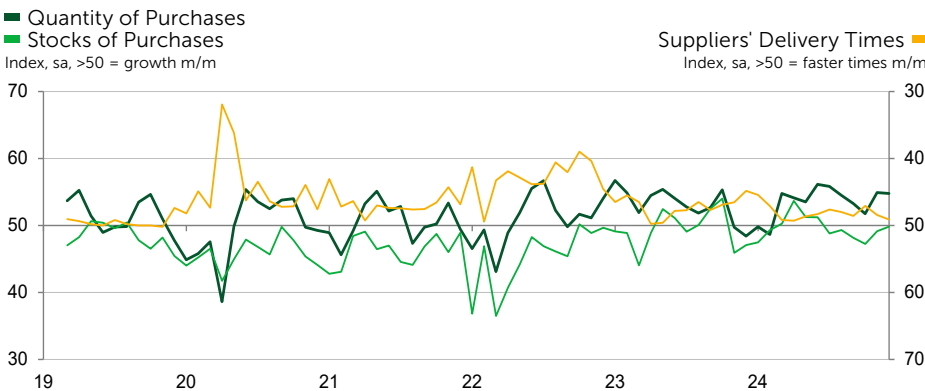
Panellists reported that inputs had been bought in response to greater output requirements. Purchasing activity has now increased in each of the past ten months.

Purchased items were generally used to support production growth as opposed to building inventories. That said,

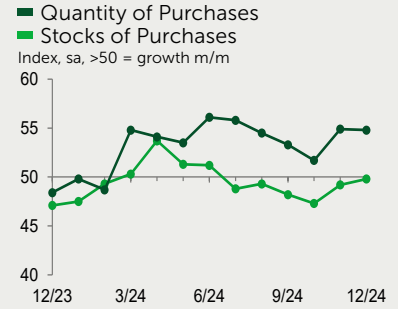
stocks of purchases neared stabilisation during December as a result of the strength in growth of input buying, with inventories falling only fractionally and to the least extent in the current six-month run of depletion.

Logistics issues and delays at the border and on the railways meant that suppliers' delivery times continued to lengthen in December.

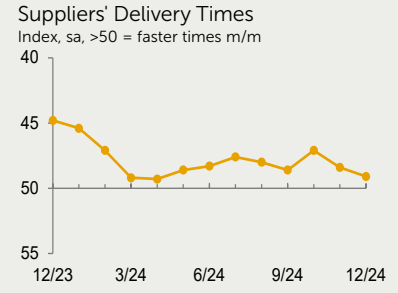
That said, the rate of deterioration in vendor performance was only slight and the least pronounced in eight months.



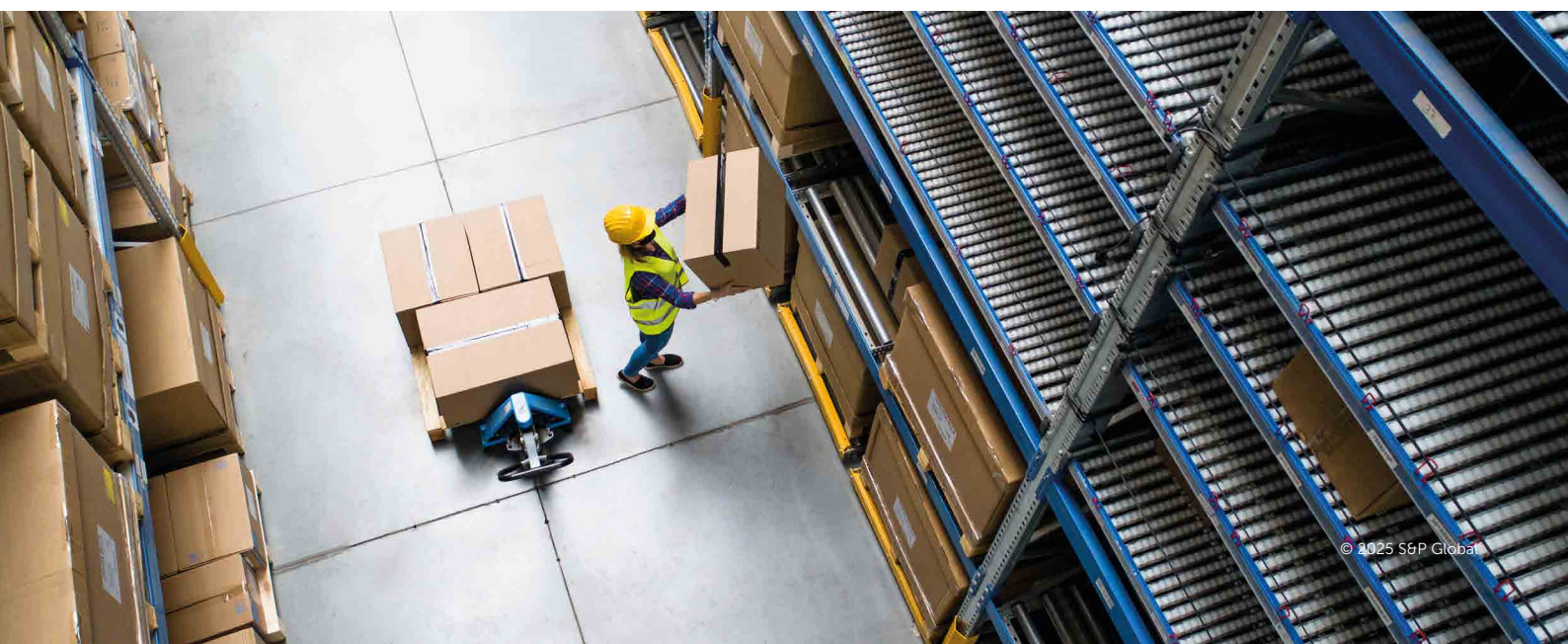
Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.



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

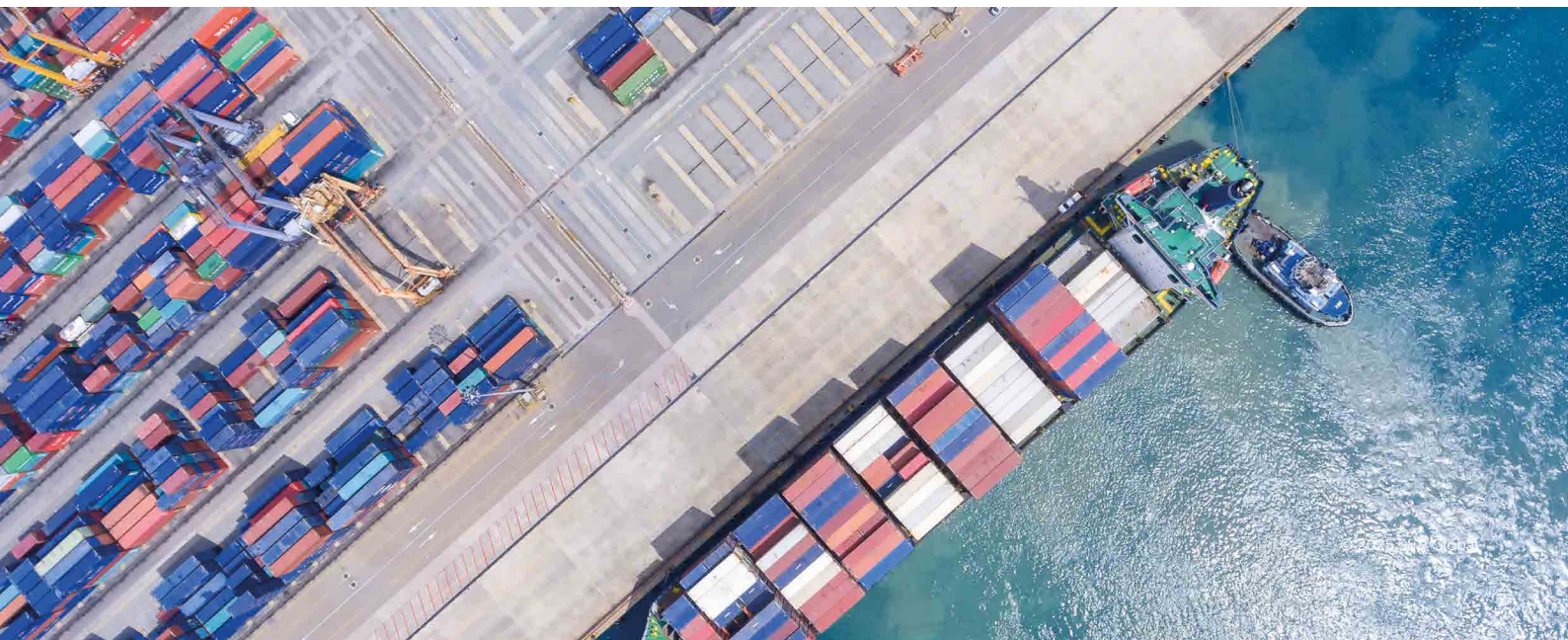
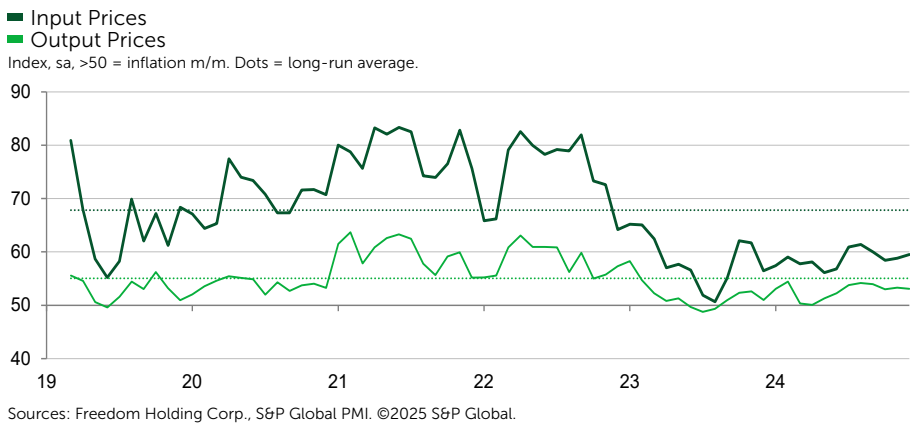
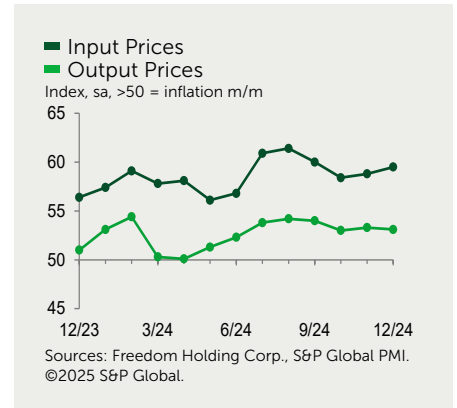
A depreciation of the tenge versus the US dollar was the main factor behind a further increase in input costs, according to respondents.

Higher costs for raw materials were also mentioned. Input prices were up sharply in December, with the pace of inflation quickening for the second month running, albeit remaining below

the series average.

Higher input costs meant that manufacturers in Kazakhstan increased their own selling prices accordingly in the final month of the year, the sixteenth month running in which this has been the case.

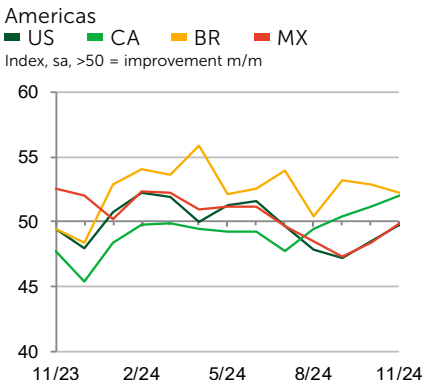
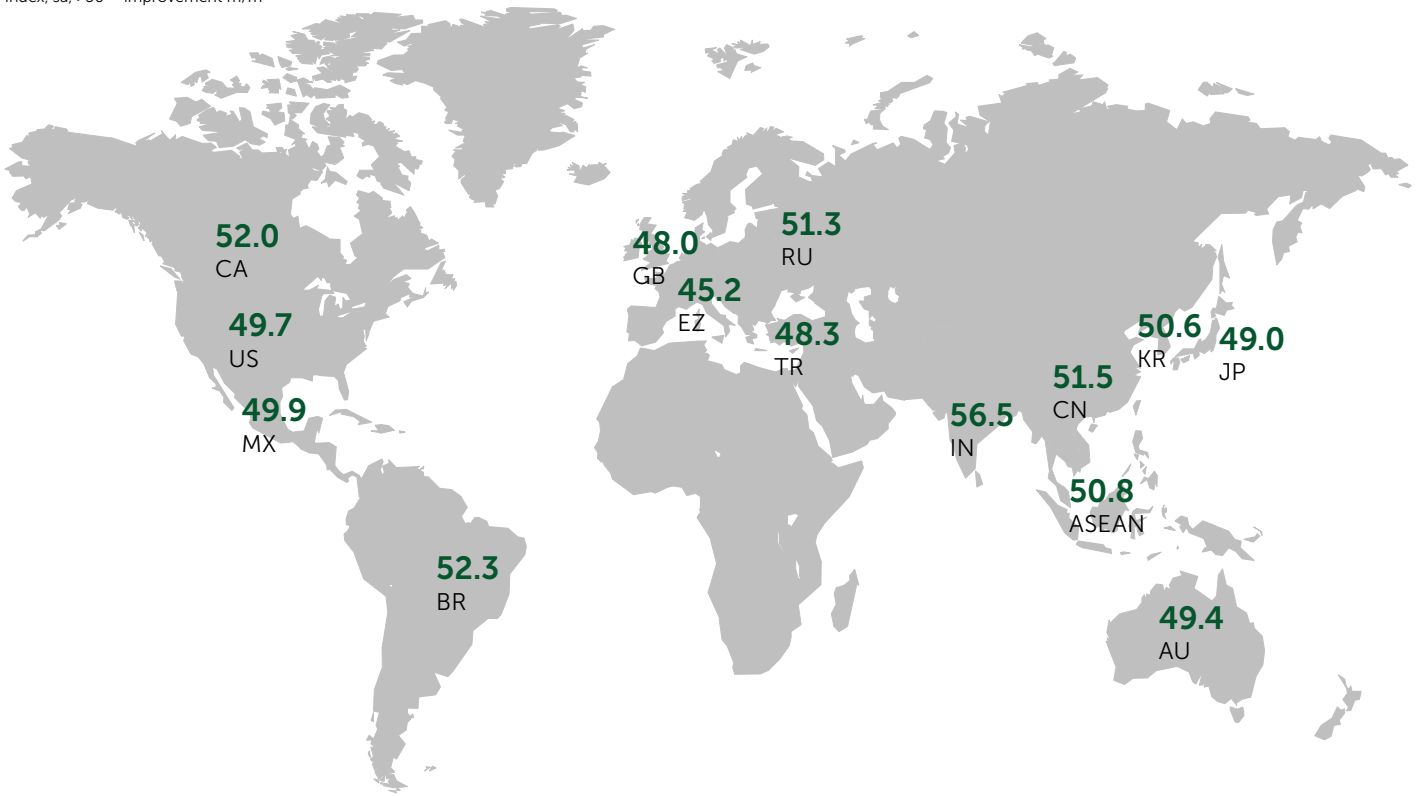
The rate of charge inflation was solid, but eased slightly from that seen in November and was weaker than the series average.



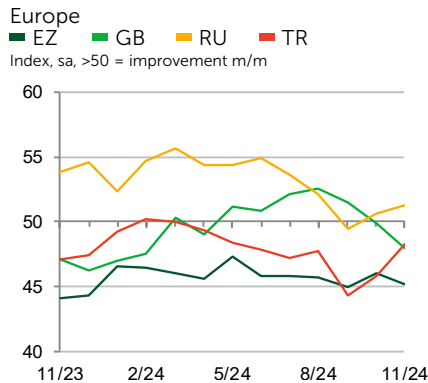
INTERNATIONAL PMI

Manufacturing PMI
Index, sa, >50 = improvement m/m

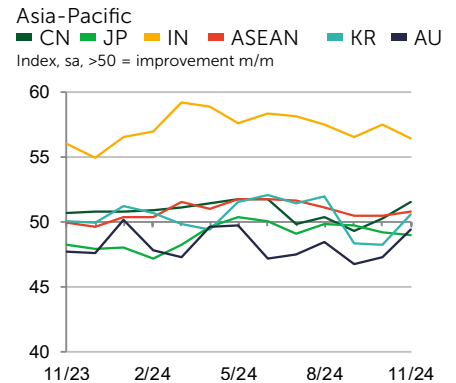
Nov '24



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



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



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

Key
US United States
CA Canada
BR Brazil
MX Mexico

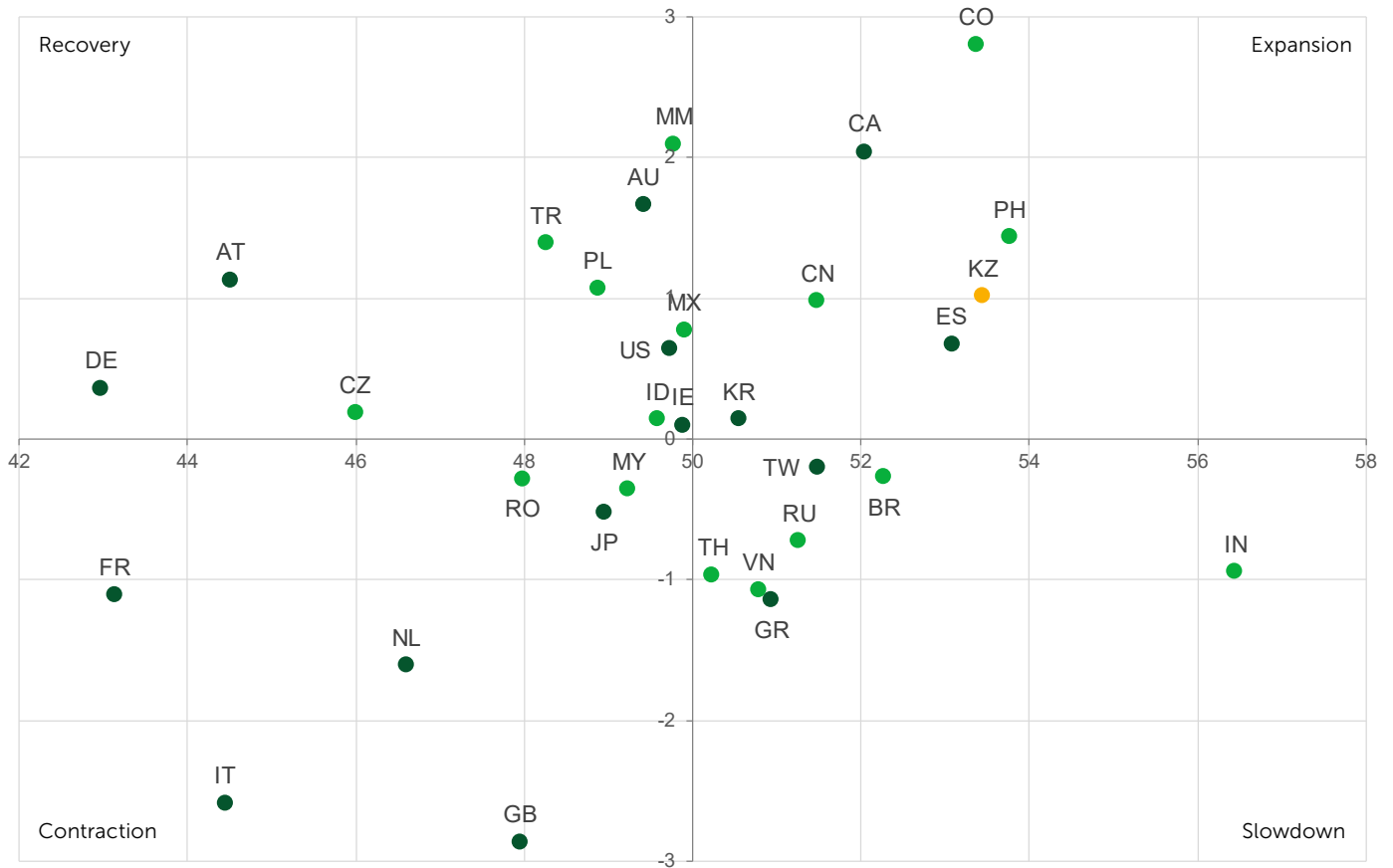
EZ Eurozone
GB United Kingdom
RU Russia
TR Turkey

CN Mainland China
JP Japan
IN India
ASEAN Association of South East Asian Nations
KR South Korea
AU Australia

■ Advanced economies ■ Emerging economies

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

Nov '24



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

| | | | | | | | |
|--------------|-------------------|-------------------|--------------|----------------|----------------|-------------|------------------|
| AT Austria | CN Mainland China | ES Spain | ID Indonesia | JP Japan | MX Mexico | PL Poland | TR Turkey |
| AU Australia | CO Colombia | FR France | IE Ireland | KR South Korea | MY Malaysia | RO Romania | TW Taiwan |
| BR Brazil | CZ Czech Republic | GB United Kingdom | IN India | KZ Kazakhstan | NL Netherlands | RU Russia | US United States |
| CA Canada | DE Germany | GR Greece | IT Italy | MM Myanmar | PH Philippines | TH Thailand | VN Vietnam |

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

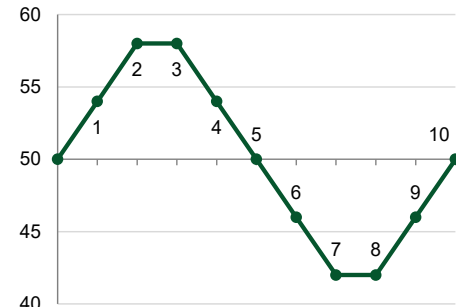
compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

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.

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 manufacturers

Survey history

March 2019

Survey questions

Output, new orders, new export orders, future output, employment, backlogs of work, stocks of finished goods, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices

Sector coverage

International Standard Industry Classification (ISIC) code

- 10 Food products
- 11 Beverages
- 12 Tobacco products
- 13 Textiles
- 14 Wearing apparel
- 15 Leather and related products
- 16 Wood and wood products
- 17 Paper and paper products
- 18 Printing and reproduction of recorded media
- 19 Coke and refined petroleum products
- 20 Chemicals and chemical products

- 21 Pharmaceutical products
- 22 Rubber and plastic products
- 23 Other non-metallic mineral products
- 24 Basic metals
- 25 Fabricated metal products
- 26 Computer, electronic and optical products
- 27 Electrical equipment
- 28 Machinery and equipment n.e.c.
- 29 Motor vehicles, trailers and semi-trailers
- 30 Other transport equipment
- 31 Furniture
- 32 Other manufacturing
- 33 Repair and installation of machinery and equipment

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 headquarter 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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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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