

5 February 2025

FREEDOM HOLDING CORP. KAZAKHSTAN SERVICES PMI[®]

Business activity rebounds as 2025 begins



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Contents

Key findings

Overview

Comment

**Demand, employment and
outlook**

Inflation

Kazakhstan Composite PMI

International PMI

Methodology

Further information

About the report

The Freedom Holding Corp. Kazakhstan Services PMI[®] provides a timely snapshot of service sector performance. The report tracks monthly changes in activity, demand, employment and prices, compiled from survey responses from a representative panel of local service providers.

KEY FINDINGS

January 2025

Renewed rise in business activity

Strongest uptick in employment since August 2022

Cost inflation intensifies further

Freedom Holding Corp.
Kazakhstan Services PMI
Business Activity Index
January 2025

51.3

The Services PMI Business Activity Index is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The 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 index is seasonally adjusted. For more information on the PMI survey methodology, click [here](#).



BUSINESS ACTIVITY REBOUNDS AS 2025 BEGINS

January marked a fresh rise in Kazakh service sector activity amid a stronger uptick in new business.

The latest PMI® data from Freedom Holding Corp. and S&P Global indicated a positive start to the year across Kazakhstan's service sector. Activity growth was renewed following a slight fall in the month prior, supported by a solid uptick in new business. Furthermore, firms accumulated workers at a faster pace, with the latest round of job creation the strongest seen since August 2022.

However, growth of the sector was accompanied by a further intensification of price pressures, with both input costs and output prices increasing at sharper rates than in December.

The headline figure is the Business Activity Index. This is calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The index varies between 0 and 100, with a reading above 50 indicating an increase and below 50 a decrease. The index is adjusted for seasonal variation.

The headline index moved back above the neutral 50.0 mark in January, recording 51.3 from 49.7 in December. The latest increase in service sector activity, albeit modest, was the most pronounced since July last year.

Renewed growth in activity across the Kazakh service sector was underpinned by a strong uplift in new business received in January. Growth has now been observed in each of the last three survey periods, with the latest

round of expansion the most marked in six months. According to panellists, improvement in demand trends, successful marketing campaigns and the introduction of new services underpinned growth.

Increasing volumes of new business also supported firms' decisions to raise their workforce numbers. A fifth successive monthly rise in payroll numbers was noted in January, with the latest round of job creation among the most pronounced since the series began in March 2019.

Growth seen at the start of the year is expected to be maintained as we progress further into 2025, with businesses expressing high levels of confidence. In fact, optimism was the greatest in ten months and historically elevated. Underpinning positive sentiment were hopes of improved demand conditions and a better geopolitical situation, as well as plans for advertising and the introduction of new services.

However, January data also revealed an intensification of inflationary pressures across the Kazakh service sector. Cost burdens rose at a stronger pace. The latest increase was sharp and the strongest since March of last year, albeit still muted by historical standards.

An improving demand environment enabled service providers to effectively transfer their costs to clients. January saw a sharp increase in charges, with the rate of output price inflation rising to an 11-month high, outpacing the long-term average.



COMMENT

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

"Kazakhstan's services sector closed the first month of the year on a wave of optimism, overcoming the December slump thanks to strong growth in new orders, which also contributed to one of the highest rates of growth in payroll numbers since the series began six

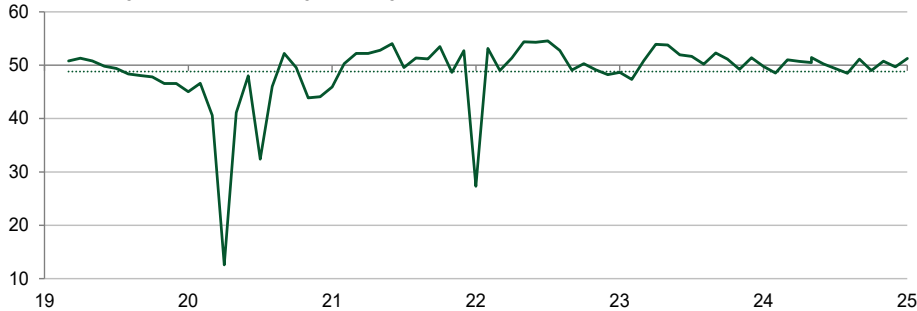
years ago. Along with the recovery in business activity, the market faced an acceleration in inflation, driven by high raw materials and logistics costs, as well as increased currency risks. Following cost inflation, which turned out to be the most pronounced since March last year, market participants increasingly shifted the burden of expenses to buyers. Sector representatives significantly improved their forecasts for the coming year on expectations of growing demand, business expansion, the launch of new projects and hopes for an improvement in the geopolitical situation."

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Freedom Holding Corp. Kazakhstan Services PMI Business Activity

Index, sa, >50 = growth m/m. Dots = long-run average.



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



DEMAND, EMPLOYMENT AND OUTLOOK

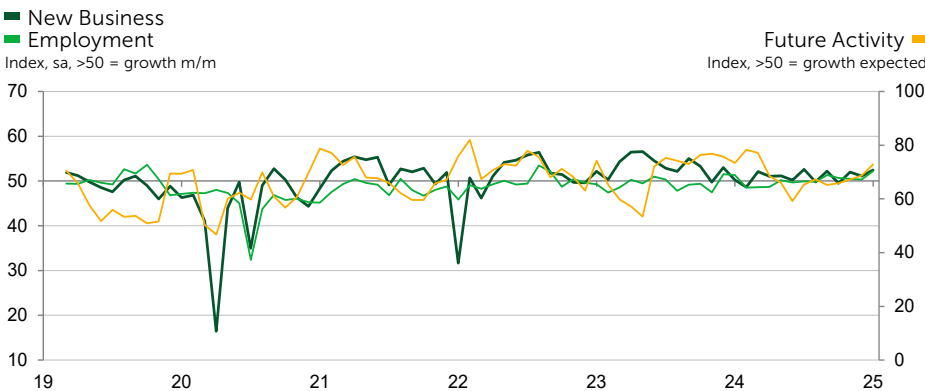
Strong growth in new business and increasing confidence contributed to a faster recruitment of staff in the Kazakh service sector during January.

The start of the year marked a third consecutive monthly rise in new business. The rate of growth was solid and the fastest in six months. Companies highlighted that enhanced underlying demand trends, the launch of new services, and the commencement of new projects supported the latest increase.

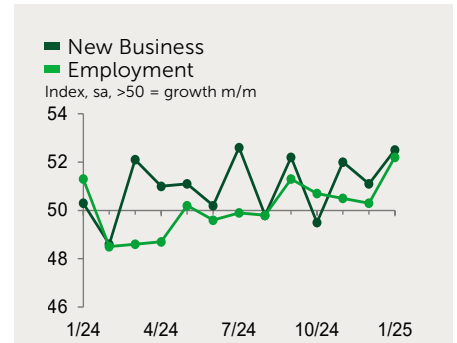
Service sector employment across Kazakhstan also increased at a solid and

accelerated pace in January. The fifth consecutive monthly rise in staffing levels was the fastest since August 2022. Anecdotal evidence indicated that heightened activity in the service sector prompted companies to expand their payroll numbers.

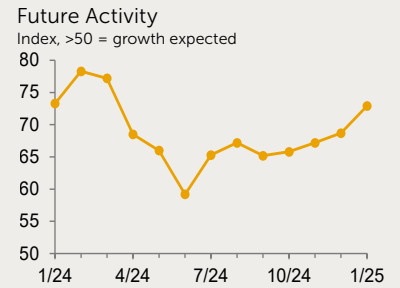
Confidence for the year ahead outlook in activity improved across Kazakh service providers in January. The degree of optimism strengthened further from last September's recent low, reaching a ten-month high. Data indicated that nearly half of the respondents expect a rise in business activity over the next 12 months. Expectations of enhanced demand trends, plans for expansion and the initiation of new projects, along with hopes for a better geopolitical outlook, were cited as factors driving positive sentiment.



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.

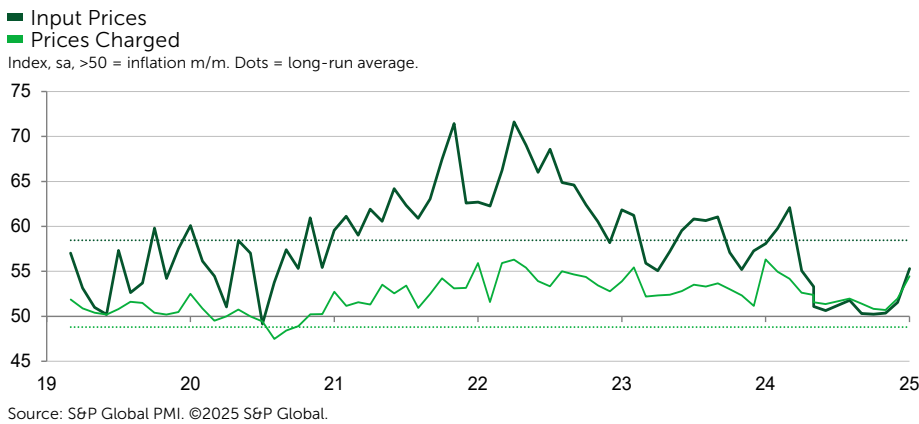
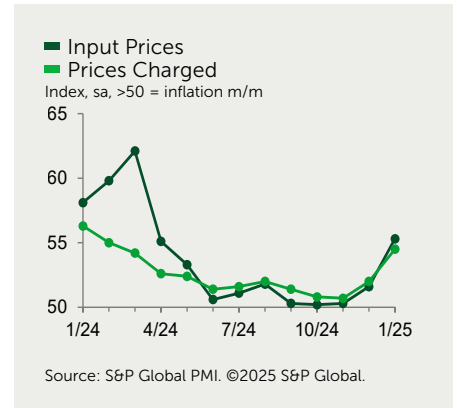


INFLATION

The rate of input cost inflation accelerated to a sharp pace in January.

Although still below the series average, the respective seasonally adjusted index rose further from last October's near record low, and signalled the fastest increase in input costs for ten months. The latest rise was attributed to higher prices for raw materials and logistics, as well as currency fluctuations in relation to the US dollar.

In response to increasing cost burdens, service providers in Kazakhstan also elevated their charges at a faster rate in January. The rate of output charge inflation exceeded the long-term average and was the highest recorded since February of last year.



KAZAKHSTAN COMPOSITE PMI[®]

Modest rise in Kazakh private sector activity recorded in January

The Kazakhstan Composite PMI Output Index printed above the neutral 50.0 mark for a third straight month in January. A reading of 51.3, down from 51.6 in December signalled a modest increase in private sector output, albeit one that was the weakest in the current sequence of growth.

Both underlying sectors recorded modest increases in January, albeit trends differed with manufacturers noting a notable softening in the pace of expansion, while service providers

recorded a fresh rise in business activity.

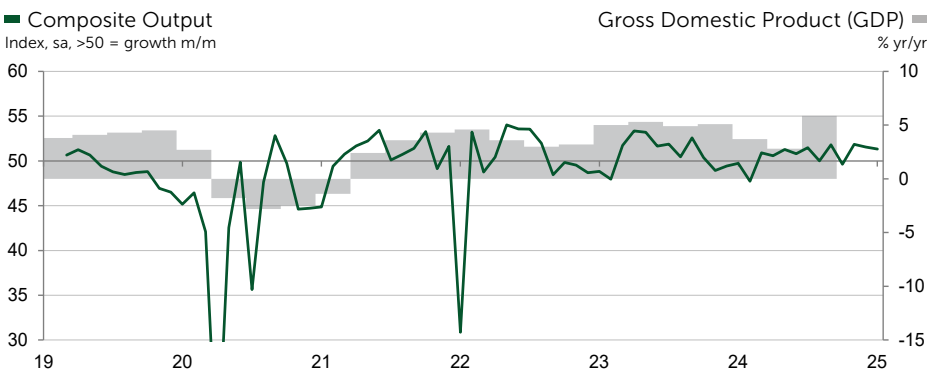
The rate of growth in new orders also eased slightly, but new business continued to rise solidly in January.

Confidence levels strengthened further across Kazakhstan's private sector in January. Optimism was at a nine-month high and historically elevated.

Private sector firms raised their payroll numbers, with January marking a solid increase that was the most pronounced since August 2022.

However, the start of the year also saw an escalation in price pressures, with the rate of output charge inflation exceeding the historical average.

Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Kazakhstan Composite Output Index is a weighted average of the Kazakhstan Manufacturing Output Index and the Kazakhstan Services Business Activity Index.



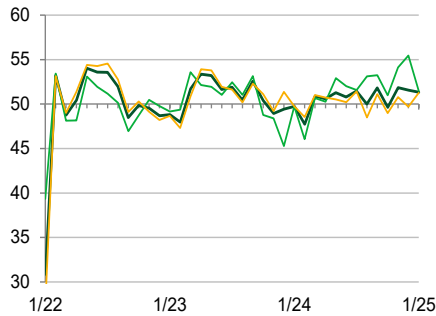
Sources: Freedom Holding Corp., S&P Global PMI. Agency of Statistics of the Republic of Kazakhstan via S&P Global Market Intelligence. ©2025 S&P Global.



Composite

Output

Index, sa, >50 = growth m/m

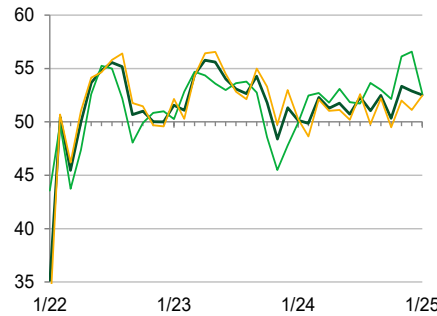


Source: S&P Global PMI. ©2025 S&P Global.

Manufacturing

New Business

Index, sa, >50 = growth m/m

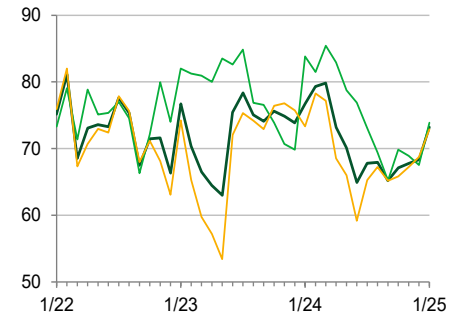


Source: S&P Global PMI. ©2025 S&P Global.

Services

Future Output

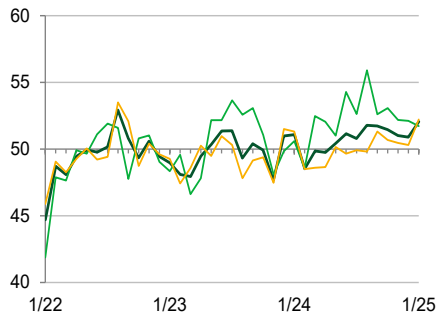
Index, >50 = growth expected



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

Employment

Index, sa, >50 = growth m/m

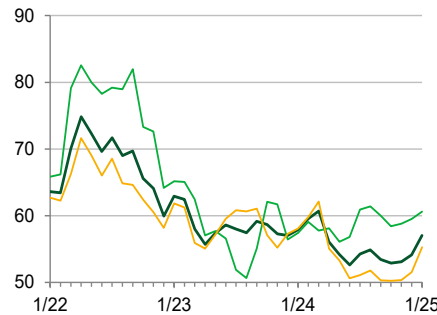


Source: S&P Global PMI. ©2025 S&P Global.

Note: Sector indices are smoothed using a three-month moving average (3mma).

Input Prices

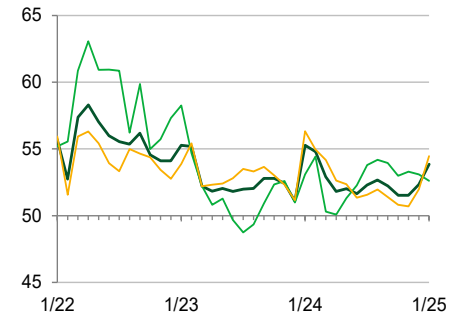
Index, sa, >50 = inflation m/m



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

Output Prices

Index, sa, >50 = inflation m/m



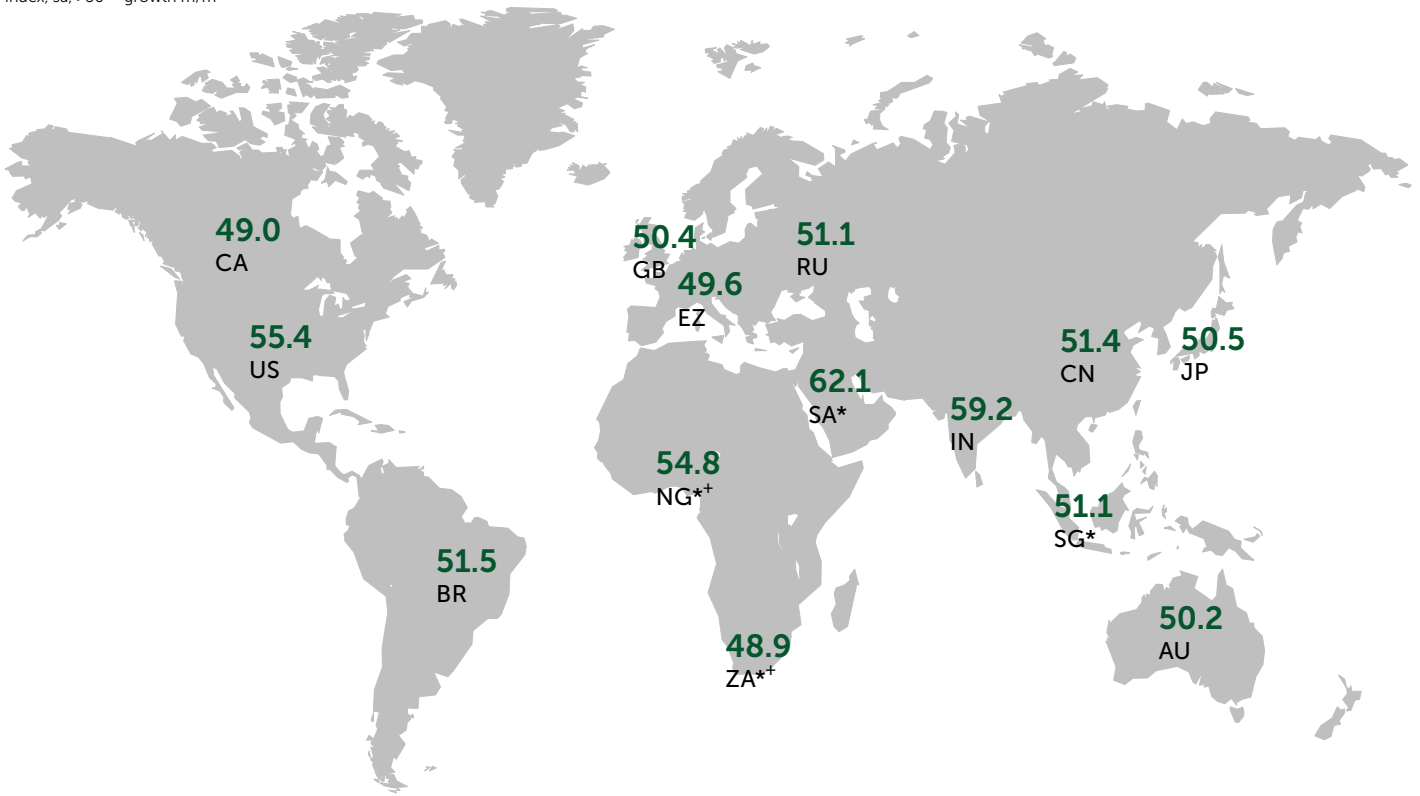
Source: S&P Global PMI. ©2025 S&P Global.



INTERNATIONAL PMI

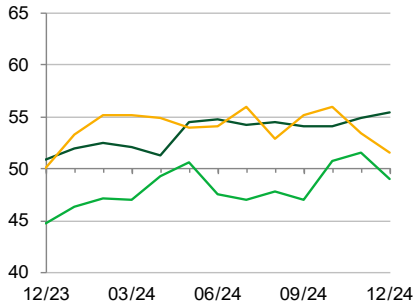
Composite Output (manufacturing and services)
Index, sa, >50 = growth m/m

Dec '24



Americas

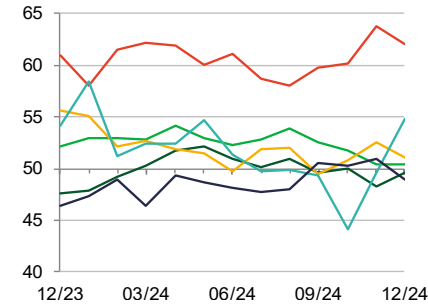
■ US ■ CA ■ BR
Index, sa, >50 = growth m/m



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

Europe, Middle East & Africa

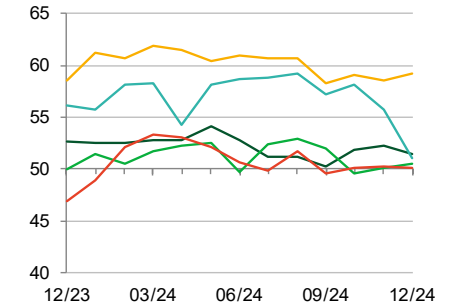
■ EZ ■ GB ■ RU ■ SA* ■ NG**+ ■ ZA**+
Index, sa, >50 = growth m/m



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

Asia-Pacific

■ CN ■ JP ■ IN ■ AU ■ SG*
Index, sa, >50 = growth m/m



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

Key

US United States
CA Canada
BR Brazil

EZ Eurozone
GB United Kingdom
RU Russia
SA Saudi Arabia*
NG Nigeria**+
ZA South Africa**+

CN Mainland China
JP Japan
IN India
AU Australia
SG Singapore*

*Sector coverage also includes construction, wholesale and retail. +Sector coverage also includes agriculture and energy.

■ Advanced economies ■ Emerging economies

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

Dec '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

AE United Arab Emirates*	CA Canada	FR France	HK Hong Kong SAR*	JP Japan	LB Lebanon*	RU Russia	US United States
AU Australia	CN China	DE Germany	IE Ireland	KE Kenya*+	MZ Mozambique*+	SA Saudi Arabia*	ZA South Africa*+
BR Brazil	EG Egypt*	GB United Kingdom	IN India	KW Kuwait	NG Nigeria*+	SG Singapore*	ZM Zambia*+
	ES Spain	GH Ghana*+	IT Italy	KZ Kazakhstan	QA Qatar*	UG Uganda*+	

*Sector coverage also includes construction, wholesale and retail. +Sector coverage also includes agriculture and energy.

METHODOLOGY

The Freedom Holding Corp. Kazakhstan Services PMI[®] is compiled by S&P Global from responses to questionnaires sent to a panel of around 250 service sector companies.

The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. 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 Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

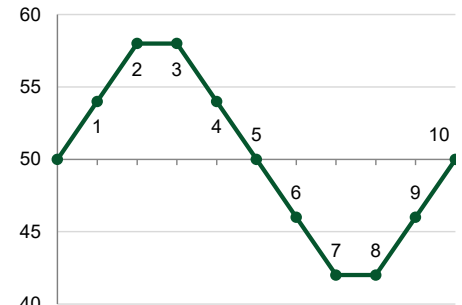
The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

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



Source: 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 service providers

Survey history

March 2019

Survey questions

Business activity, new business, new export business, future activity, employment, outstanding business, input prices, prices charged

Sector coverage

International Standard Industry Classification (ISIC) code

H Transportation and storage

I Accommodation and food service activities

J Information and communication

K Financial and insurance activities

L Real estate activities

M Professional, scientific and technical activities

N Administrative and support service activities

P Education*

Q Human health and social work activities*

R Arts, entertainment and recreation

S Other service activities

*Private sector only

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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