

News Release

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FREEDOM HOLDING CORP. **KAZAKHSTAN MANUFACTURING PMI®**

Fastest rise in output for 18 months

Solid increases in output, new orders and employment

Inflationary pressures tick lower

Business sentiment continues to wane

Kazakhstan's manufacturing sector remained comfortably inside growth territory at the end of the third quarter.

Buoyant demand conditions supported further solid increases in new orders and production, the latter rising at the fastest pace since March 2023. In a bid to stay on top of workloads, firms took on extra staff and expanded purchasing activity.

On a less positive note, business confidence continued to wane and was the lowest since December 2021.

The Freedom Holding Corp. Kazakhstan Manufacturing PMI® (Purchasing Managers' Index™) posted 52.3 in September, down from August's survey peak of 53.3 but still comfortably above the 50.0 no-change mark and signalling a solid monthly improvement in the health of the manufacturing sector. Business conditions have now strengthened in seven consecutive months.

Manufacturing production rose solidly in September and at the fastest pace in a year-and-a-half as new contracts were signed during the month, boosting inflows of new orders.

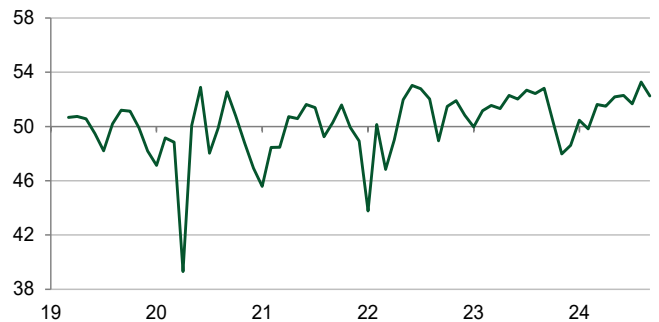
New business increased for the eighth consecutive month, with the rate of expansion remaining solid despite easing from that seen in August. Firms reported improving customer demand and expansion into new markets.

Despite the sustained solid growth of new orders, manufacturers in Kazakhstan remained able to keep on top of workloads and actually reduced backlogs of work for the second month running in September.

The ability of firms to limit pressure on capacity was in large part due to sustained hiring, with a number of firms reportedly taking on extra staff on a full-time basis in September. Overall, employment increased for the seventh month running, albeit at a softer pace than the record posted in August.

Manufacturers also continued to increase their purchasing

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



Data compiled 12-23 September 2024.

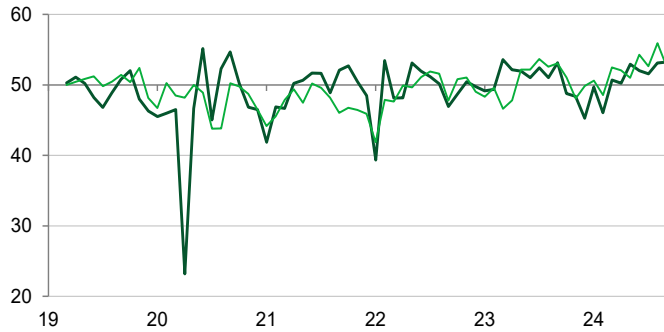
Sources: Freedom Holding Corp. S&P Global PMI. ©2024 S&P Global.

Comment

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

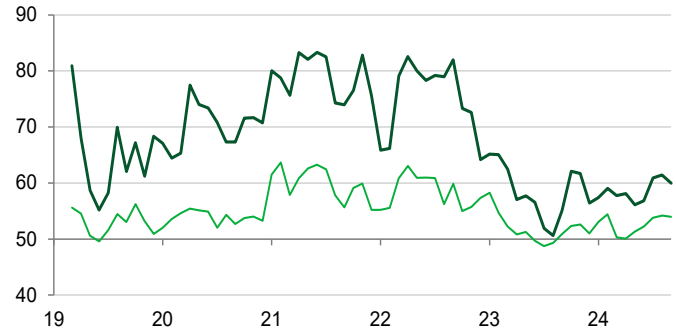
"The overall condition of the manufacturing industry in September remains at a relatively high level, despite a slight decline compared to the record level reached in August. The increase in output volumes, which has been the highest in the past year and a half, is one of the key factors supporting the sector. Such an increase is associated with increased demand. Enterprises have begun processing the new orders they secured earlier, for which staffing was being recruited at a high rate in recent months. Such active dynamics led to the depletion in stocks of finished goods, which fell to their lowest level this year. As we can see, this did not seriously affect output prices and is unlikely to lead to a significant deterioration in the sector in the coming months."

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



Sources: Freedom Holding Corp., S&P Global PMI. ©2024 S&P Global.

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



Sources: Freedom Holding Corp., S&P Global PMI. ©2024 S&P Global.

activity in response to higher output requirements, with the rate of expansion remaining solid. The use of purchased items directly to support production meant that stocks of purchases continued to fall. Stocks of finished goods were also down as finished items were shipped to customers to help meet sales needs. In fact, the drop in post-production inventories was the most pronounced in 2024 so far.

Manufacturers in Kazakhstan recorded a further rise in input costs during September amid increases in prices for raw materials and currency weakness. Although remaining rapid, the rate of inflation eased from the previous survey period and was below the series average.

A slower rise in output prices was also registered. While some firms increased charges in response to higher input costs, others offered discounts as part of efforts to secure new orders.

Meanwhile, suppliers' delivery times lengthened further as logistics issues continued to cause delays. The rate of deterioration in vendor performance was modest, however, and the least marked since May.

Despite sustained expansions in output and new orders, business confidence continued to wane, dropping for the sixth consecutive month to the lowest since December 2021. Some 43% of respondents remained optimistic that output will rise over the coming year, however, reflecting expected improvements in new orders and business expansion plans.

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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.

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Freedom Holding Corp.

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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.

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