

**News Release**

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# **FREEDOM HOLDING CORP.** **KAZAKHSTAN SERVICES PMI**<sup>®</sup>

## **Business activity rises only fractionally in February**

**Growth in business activity moderates**

**Cost inflation continues to trend up**

**Confidence highest in 11 months**

Although business activity and new orders continued to rise in the Kazakhstan services sector in February, respective rates of expansion were only marginal.

In fact, the Freedom Holding Corp. PMI<sup>®</sup> produced by S&P Global noted that the latest gains in new business and activity were the weakest in the current four- and two-month sequences of growth, respectively.

A softer increase in services activity was accompanied by intensifying inflationary pressures. The rates of inflation were historically strong, as sharply rising cost burdens fed through to a stronger increase in charges. On a more positive note, forecasts for activity over the next 12 months were the strongest in almost a year.

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.

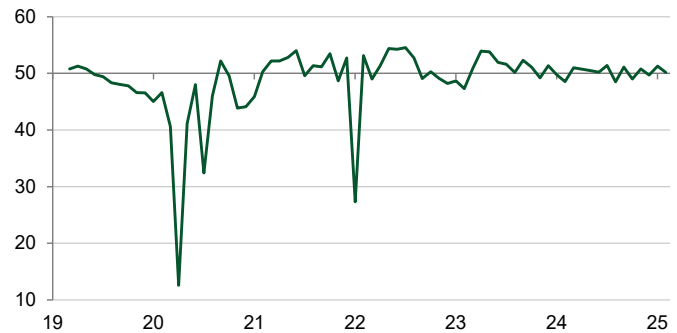
The headline index was only just above the neutral 50.0 threshold, registering at 50.2 in February, down from 51.3 the previous month. Growth in activity was only fractional, in line with a milder increase in new business, according to anecdotal evidence.

Indeed, the latest rise in new business was marginal and the weakest in the current four-month sequence of growth.

Respondents noted that while improving demand, new projects wins and the introduction of new services boosted sales, this was partially hampered by rising competitiveness within the market.

Despite concerns of growing competition, businesses continued to raise their charges for the provision of services in February. In fact, the rate of output charge inflation quickened for the third straight month to the fastest since the

Freedom Holding Corp. Kazakhstan Services PMI Business Activity Index, sa, >50 = growth m/m



Data compiled 10-25 February 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.):

"In February 2025, the service sector in Kazakhstan, unlike the manufacturing industries, experienced a slowdown in business activity following the January recovery. The current PMI index barely exceeded the neutral level of 50.0. Minimal growth in new business was observed, the weakest in the past four months, with firms citing increasing competition. Cost pressures were the strongest in nearly a year: not only overall costs but also labour costs rose. At the same time, service companies passed on increased costs to customers to a greater extent than manufacturers did. Nevertheless, we see that despite increased uncertainty during the period of economic reforms in the country and rapidly changing market conditions, sector representatives raised their expectations for the next 12 months to an 11-month high, betting on improved demand and the implementation of new projects."

start of last year.

The rise in charges was largely attributed to growing cost burdens which rose rapidly and at the strongest rate in 11 months. Contributing to the higher uptick in prices were general cost increases and higher salaries.

Despite growth of output and new orders slowing midway through the opening quarter of the year, Kazakh service providers were highly confident regarding activity for the coming 12 months. The level of optimism rose for the fifth consecutive month to the strongest for almost a year. Sentiment was also above the six-year series average.

The historically strong degree of confidence across the sector was supported by expectations of improved demand trends, along with plans for advertising, investment in new machinery and the introduction of new services.

As a result, while job creation slowed in February in line with the picture for new orders, the continuous growth in new business and expectations of increased business activity prompted services firms to continue expanding their staffing levels for the sixth consecutive month. That said, the pace of job creation eased from the recent peak seen in January.

## FREEDOM HOLDING CORP. KAZAKHSTAN COMPOSITE PMI

### Kazakh private sector activity growth cools

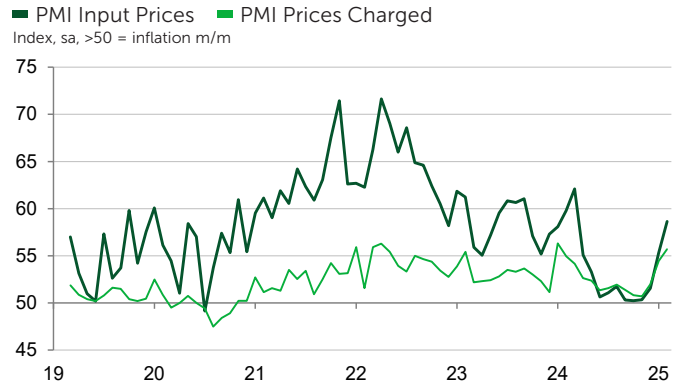
The Kazakhstan Composite PMI Output Index signalled a rise in activity for a fourth straight month in February. At 50.7, down from 51.3 in January, the index reflected only a slight uptick, which was also the weakest in the current sequence of growth.

Underlying data noted that a cooldown in growth of service sector activity partially offset a stronger rise in manufacturing production. The trend in new business mirrored that for output, with the pace of growth moderating in the latest survey period.

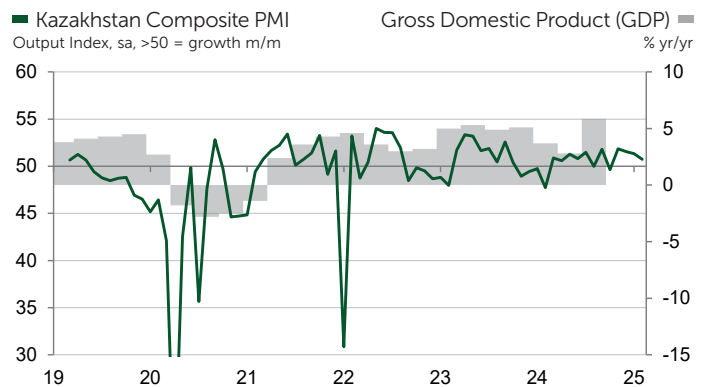
The employment picture continued to improve, with growth marked for a tenth straight month. That said, the pace of job creation lost momentum from the recent high observed at the start of the year.

Confidence regarding the outlook for the year ahead reached an 11-month high and was historically strong.

However, February data also revealed intensifying price pressures. In fact, both tracked sectors recorded stronger rates of input cost and output price inflation.



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



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## Methodology

The Freedom Holding Corp. Kazakhstan Services PMI<sup>®</sup> 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](mailto:economics@spglobal.com).

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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.

[www.freedomholdingcorp.com](http://www.freedomholdingcorp.com)

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Purchasing Managers' Index<sup>™</sup> (PMI<sup>®</sup>) 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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