

Investment idea

Kaspi KZ JSC (KSPI)



Kaspi.kz

Current price situation



Company overview

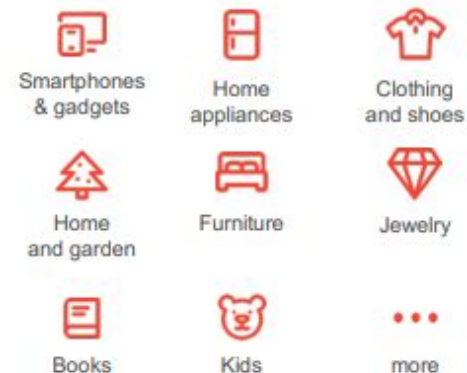
28 969 (+145% YoY)

Merchants (1)



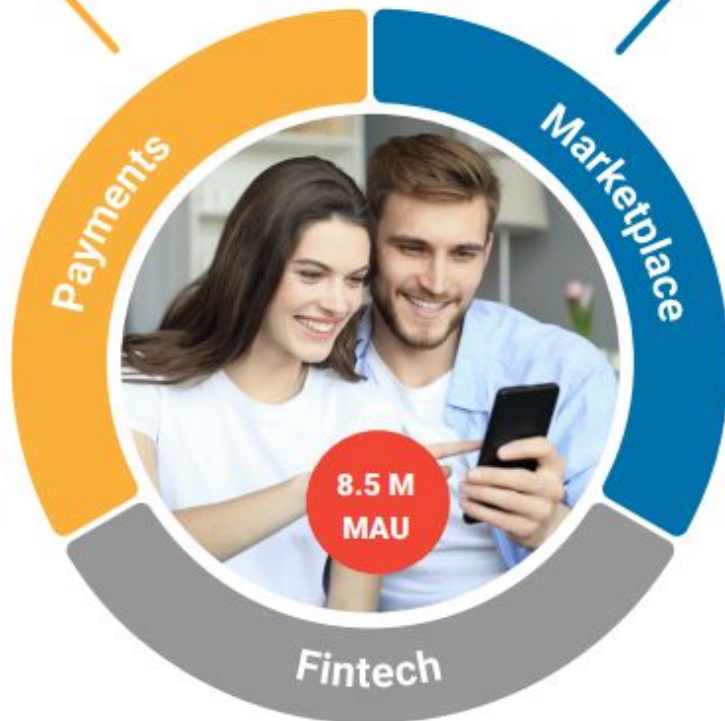
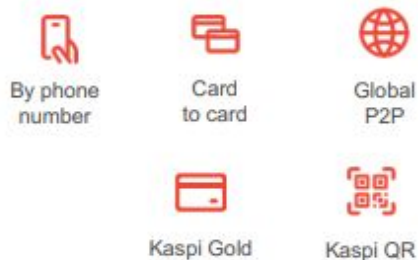
410 000 (+183% YoY)

Listings



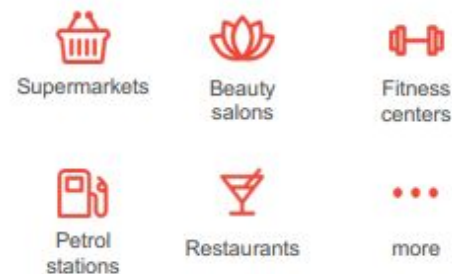
718MM (+212% YoY)

Number of transactions



28 312 (+68% YoY)

Stores



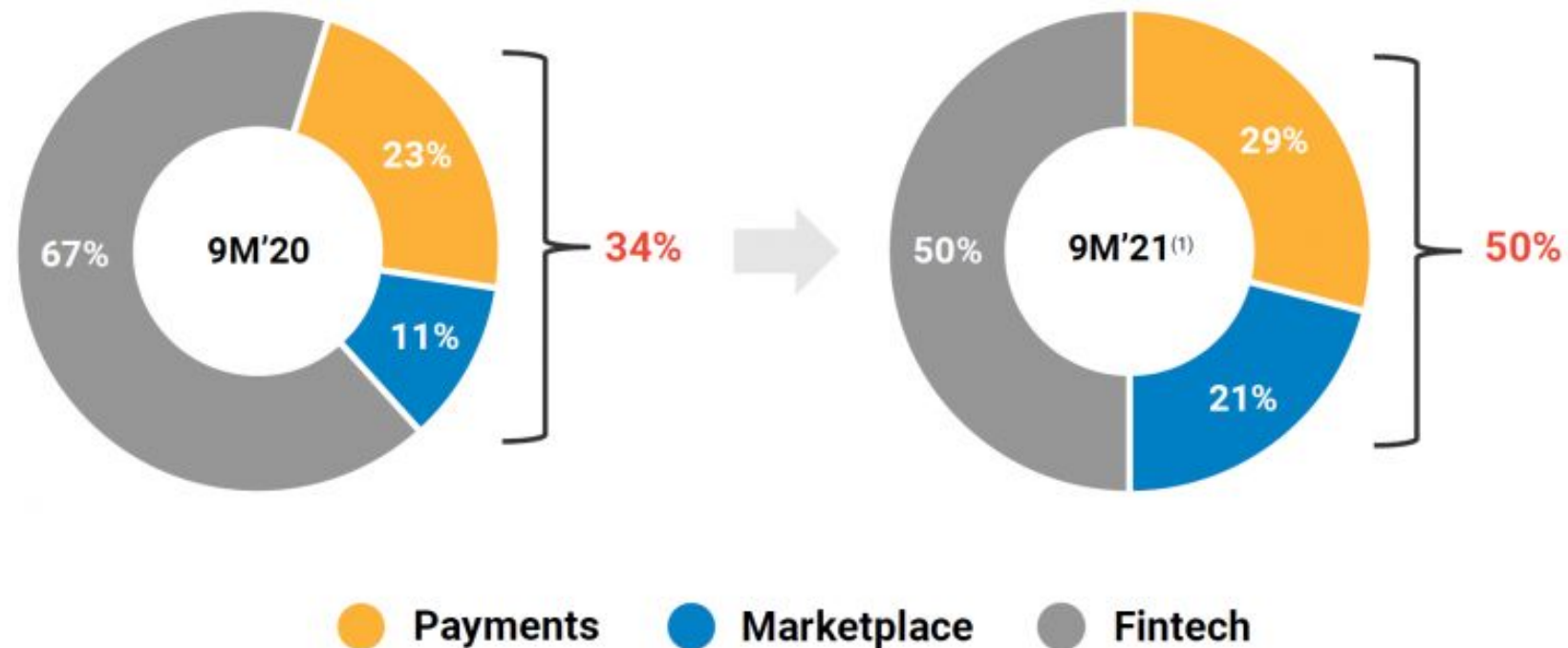
Digital Finance



Net profit distribution by segment

Payments and Marketplace 50% of net income in 9M21

In 2021 the majority of net income to come from faster growing and higher margin Payments and Marketplace Platforms

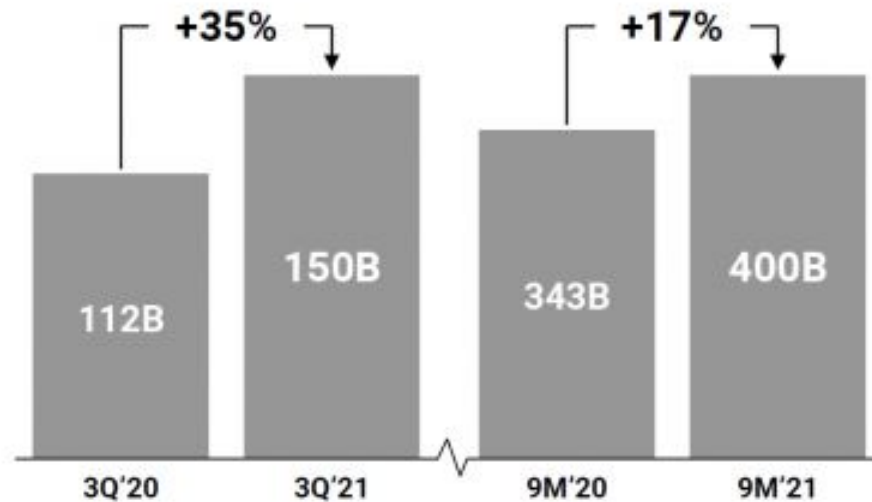


Fintech Ecosystem

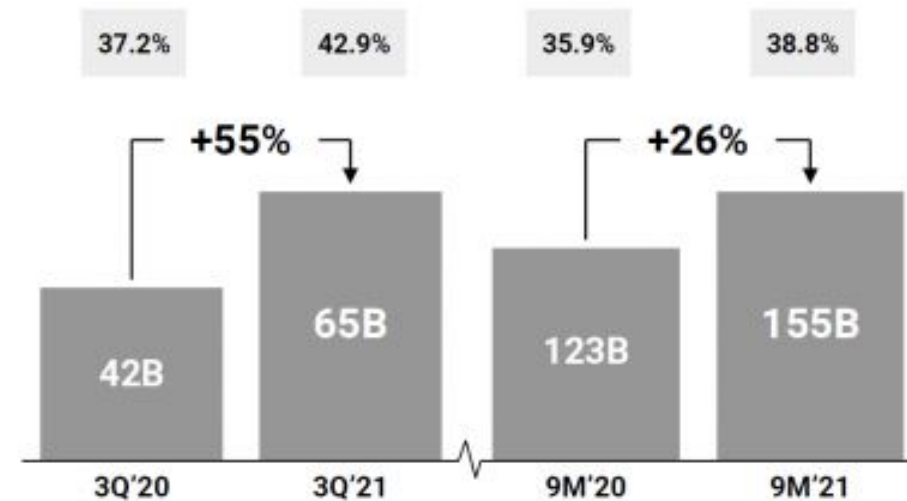
Fintech Platform revenue +35% and net income +55%

Better origination, better risk and operational gearing resulted in margin improvement

Revenue
KZT



Adjusted Net Income⁽¹⁾
KZT



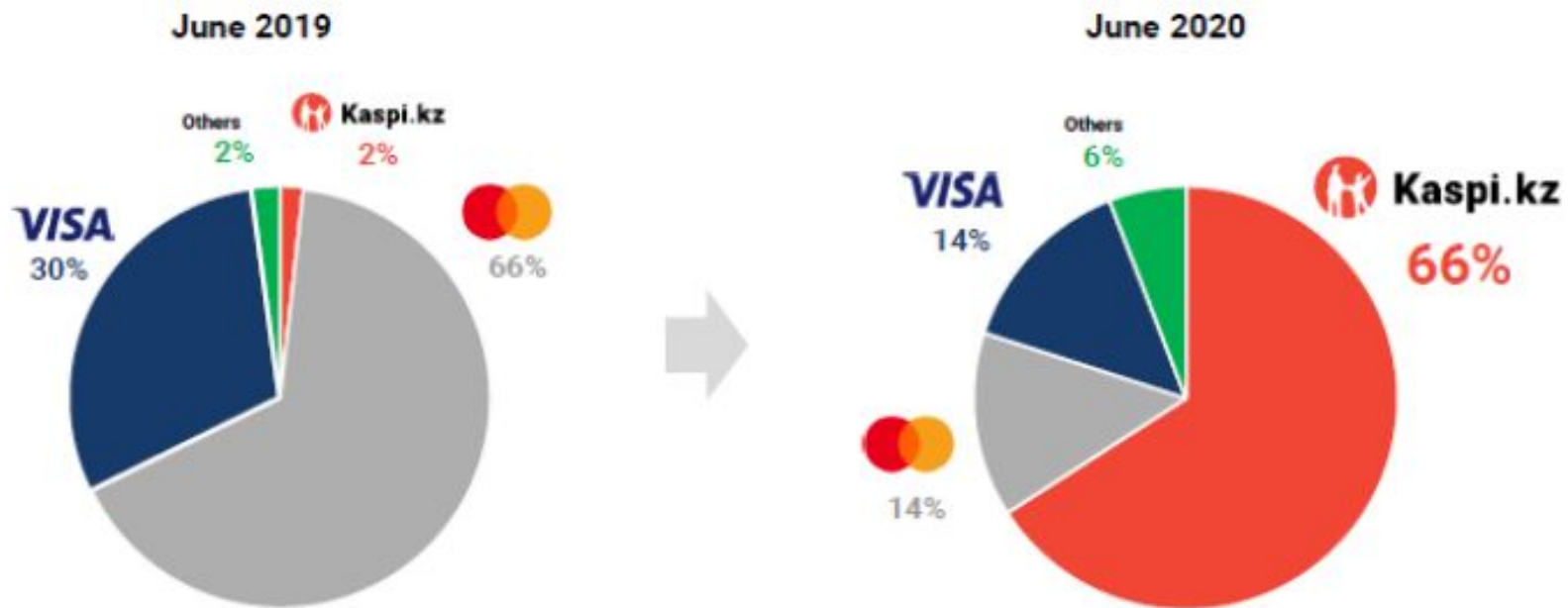
Net Income Margin, %

Payments

We are disrupting the payments value chain

Kaspi.kz proprietary payment network rapidly taking market share from Visa and Mastercard

Total monthly Processed Volumes⁽¹⁾ in Kazakhstan

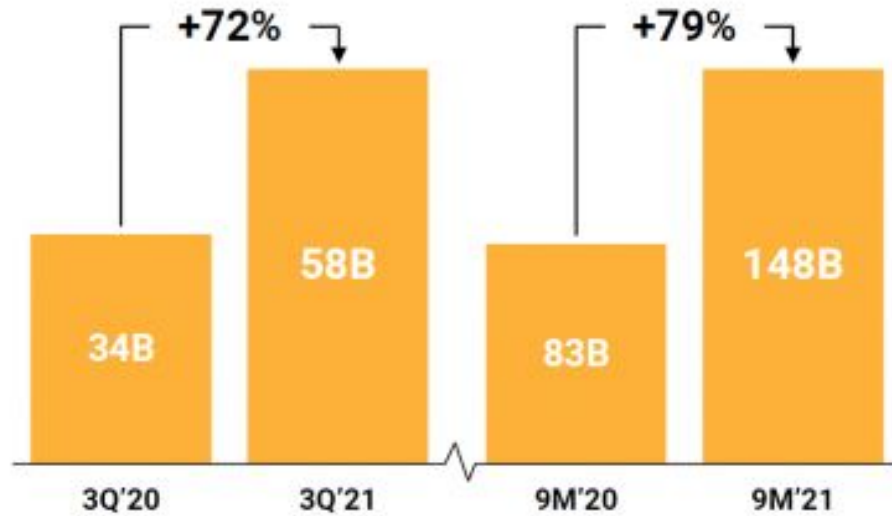


Payments

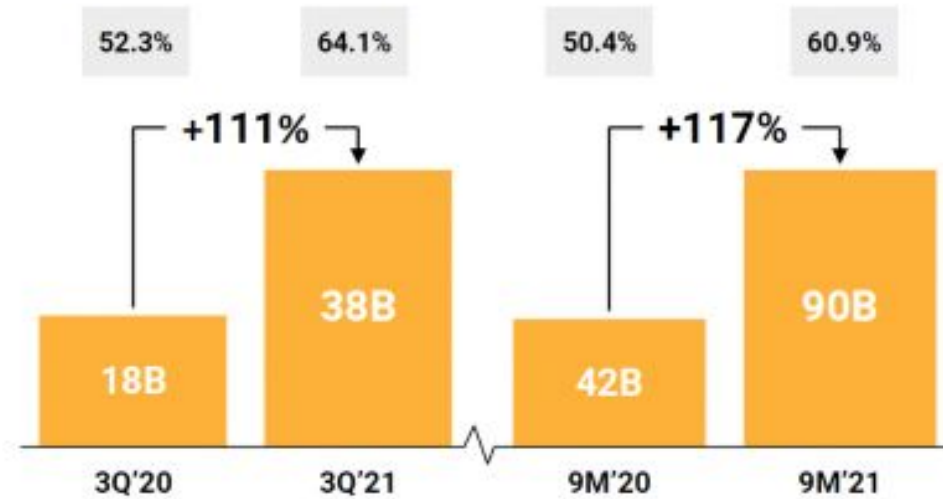
Payments revenue +72%, net income +111% YoY and 64.1% net income margin

Top-line growth driven by growth in merchants, bottom-line boosted by proprietary payments rails that disintermediates third parties

Revenue
KZT



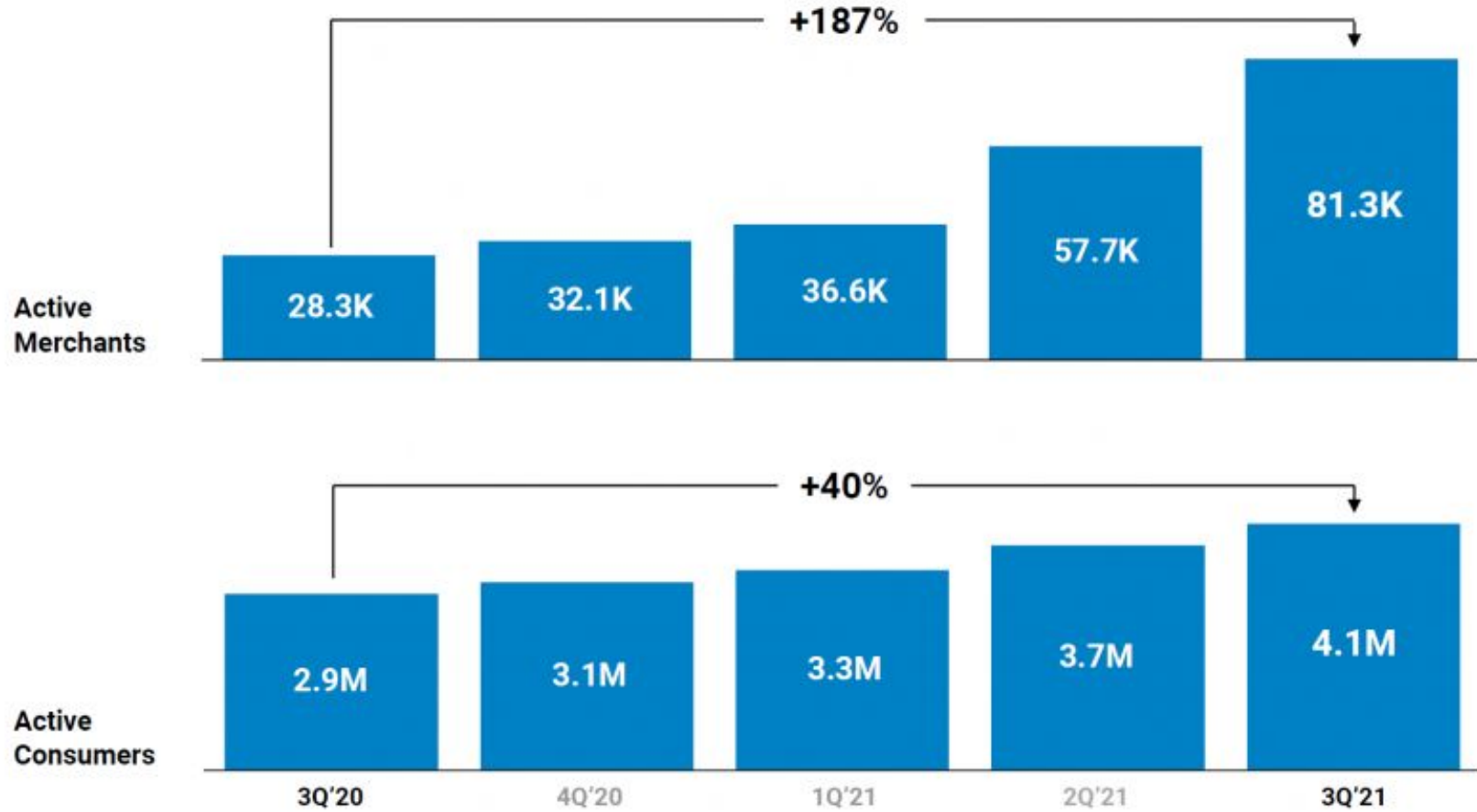
Adjusted Net Income⁽¹⁾
KZT



Net Income Margin, %

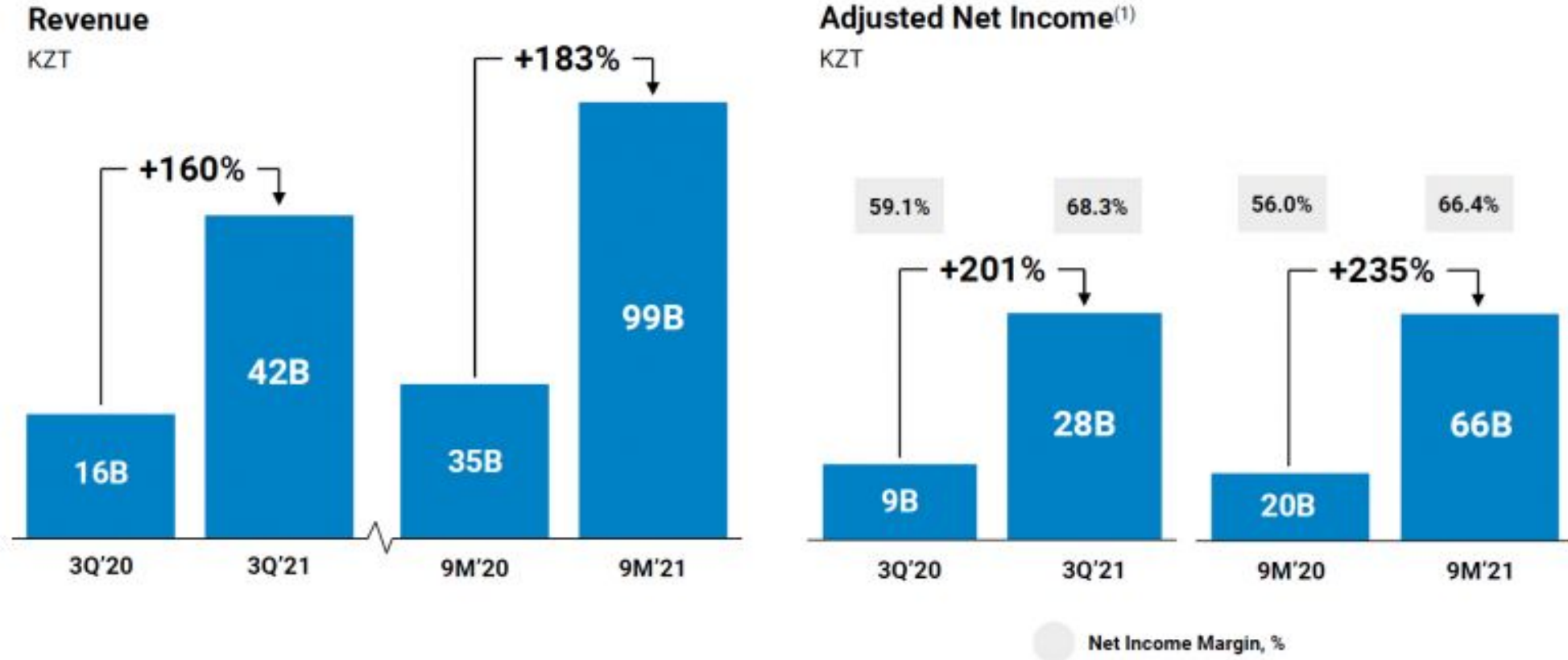
Marketplace

Merchants +187% and consumers growth accelerates to +40% YoY
Payment merchants are now becoming Marketplace merchants



Marketplace

Marketplace Platform revenue +160% and net income +201% YoY
Take rate expansion compensates investment in free delivery. Margin up to 68.3%



Market multiples

Tinkoff

Kaspi

	FY Dec-2021	FY Dec-2022	FY Dec-2021	FY Dec-2022
EV/Revenue	5.76	4.62	12.89	8.80
EV/EBITDA	NaN	NaN	NaN	NaN
EV/EBIT	7.70	6.48	17.31	11.41
PE	18.71	15.88	16.64	11.43
PEG	0.75	0.64	0.32	0.22
Dividend Yield	0.00	0.00	4.00	6.26
FCF Yield	NaN	NaN	NaN	NaN
Price/Sales	5.59	4.49	12.90	8.80
Price/Cashflow	NaN	NaN	NaN	NaN
Price/Book Value	6.47	4.72	13.29	9.93
Return on Assets	6.40	5.78	13.30	16.40

SWOT-analysis

Strengths	Weaknesses
<ul style="list-style-type: none">• Healthy company• High margin and growth rate• Nursultan Nazarbayev's nephew among former shareholders	<ul style="list-style-type: none">• Low liquidity
Opportunities	Threats
<ul style="list-style-type: none">• Expansion to the CIS countries• New services	<ul style="list-style-type: none">• Currency risk• Political risk

Investment idea

Russian dividend
stocks portfolio



Macroeconomic survey of the Bank of Russia

Survey results: December 2021*

	2020 (actual)	2021	2022	2023	2024
CPI (%, Dec to Dec of the previous year)	4.9	8.2 (7.0)	4.8 (4.2)	4.0 (4.0)	4.0 (4.0)
Key rate (% per annum, average for the year)	5.1	5.8 (5.7)	7.8 (6.8)	6.3 (5.6)	5.5 (5.5)
GDP (%, YoY)	-3.0	4.3 (4.3)	2.4 (2.4)	2.0 (2.2)	2.1 (2.1)
Nominal wages (%, YoY)	7.3	9.3 (8.8)	7.3 (6.8)	6.2 (6.1)	6.0 (6.0)
CDS spread 5Y in Russia (b.p., average for the year)	109	93 (91)	90 (90)	85 (90)	85 (90)
USD / RUB rate (RUB per USD, average for the year)	72.3	73.5 (73.5)	72.1 (72.0)	72.4 (73.0)	73.3 (74.2)

Dividend forecast for 2022

Stock name	Dividend yields
Magnitogorsk iron & steel works	14,7-18,8%
VTB Bank	14,6-18,1%
Severstal	14,3-18%
Novolipetsk Steel	14-18%
M.Video	13,4-16,2%
Gazprom	12,5-15,6%
Nornickel	12,4-15,2%
Unipro	11,6%
Rusagro	11,2-13,1%
Alrosa	11-13,5%