

JSC "NAC KazAtomProm" (KAP)

9M 2025 Financial Results

Ticker KASE: KZAP

Ticker LSE: KAPq

Target price (12M): 61 \$

Current price: 56\$

Upside: +10%

Rating: BUY

December 2025

JSC "NAC KazAtomProm" (hereinafter referred to as "the Group") published its operational results for the 9M 2025.

As a result of changes in the Group's financial indicators and changes in WACC, we have revised the price of one share to 61\$, with a potential growth of 10% from the current market price, accompanied by a BUY recommendation.

9M 2025 results based on the consolidated financial statements:

- ▶ As of the 9M 2025, the revenue growth was driven by higher uranium sales volumes, despite a decline in the average realized price following the drop in the spot uranium price.
- ▶ Uranium production volume increased by 12% as a result of a higher production plan. At the same time, the reduction in the annual production guidance at JV "Inkai" is not expected to have a material impact on the company's overall production plans for the year.
- ▶ Sales volume increased by 10% year-over-year, primarily due to the timing of customer orders and delivery schedules, which can vary significantly.
- ▶ As of the 9M 2025, the cost of sales decreased by 7%. The decrease was driven by lower expenses for materials, raw inputs, and processing services, which offset higher costs related to wages and salaries, depreciation, and taxes, resulting in an overall reduction in total cost of sales.
- ▶ The level of debt amounted to 209 bln KZT as of the 9M 2025, representing a 62% increase compared to the indicator in 2024.

Changes and updates to the valuation model:

The uranium spot price forecasts were revised based on Capital IQ and Bloomberg analytical databases. The discount rate (WACC) was reduced to 15.6% in response to market changes. Additionally, uranium production and sales volumes were updated, and the net debt value was adjusted according to the results of the 9M 2025.

Financial indicators:

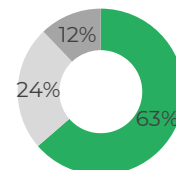
bln, KZT	9M 2025	9M 2024	diff (%)
Revenue	1,193	1,139	+5%
COGS	(643)	(693)	-7%
Gross profit	550	446	+23%
Operating profit	498	399	+25%
Net income	533	745	+28%
Cash and cash equivalents	379	238	+59%

Ratios:

	9M 2025	9M 2024
ROA	23%	31%
ROE	30%	39%

Source: Company data, BCC Invest analysis

Shareholders:

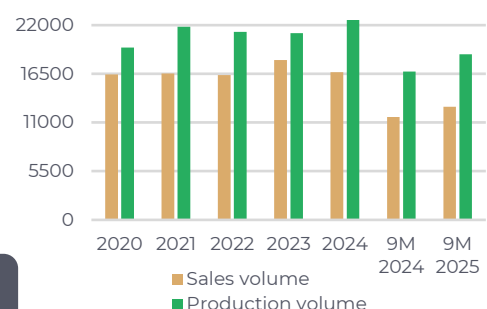


- Kazakhstan's sovereign wealth fund Samruk-Kazyna
- CITIBANK (nominee holder)
- Ministry of Finance of the Republic of Kazakhstan

Market metrics:

Number of shares	259,356,608
Market capitalization (bln, KZT)	7,331
52-week range (KZT)	16,080 – 30,958

Operating performance, tons:



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Discount rate calculation:

Rate	Value
Risk free rate (10-year US Treasury YTM)	4.08%
Country risk premium	1.57%
Beta unlevered	0.42
Beta relevered	0.76
Equity risk premium	9.71%
Cost of Capital before tax in USD	13.02%
CPI US, 2024-2043	2.32%
CPI KZ, 2024-2043	5.50%
Cost of Capital before tax in KZT	16.52%
Debt capital rate	18.43%
Tax rate	20.00%
Cost of Debt in KZT	14.75%
Capital structure	
Equity/Invested Capital	50.41%
Debt/Invested Capital	49.59%
WACC	15.64%

Table №1. Key financial indicators forecast

Bln KZT	Forecast				
	3M 2025	2026	2027	2028	2029
NOPAT	93,664	766,171	1,058,579	1,444,890	1,897,907
D&A	37,255	153,811	163,316	175,101	146,995
CapEX	(24,389)	(153,003)	(198,904)	(258,575)	(323,219)
Change in NWC	418,364	(931,412)	(332,410)	(432,133)	(468,144)
FCFF	524,895	(164,433)	690,581	929,283	1,253,540
Discount period	0.75	1.75	2.75	3.75	4.75
Discount rate	15.6%	15.6%	15.6%	15.6%	15.6%
Discount factor	0.90	0.78	0.67	0.58	0.50
Discounted cash flow	470,688	(127,506)	463,062	538,833	628,530
FCFF Discounted	1,973,608				
TV	5,398,866				
EV	7,372,473				
Net Debt	169,520				
Investment property	340,874				
Investments	279,517				
100% EV	8,162,384				
Number of shares, mln	259				
Fair value of the share, KZT/share	31,472				
Fair value of the share, USD/share*	61				
Current price, USD/share	56				
Upside	10%				

*512.53 USD/KZT exchange rate was used.

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