EQUITY RESEARCH

«Air Astana» JSC (AIRA)

Financial results for the 1st half of 2025

LSE ticker: AIRA.L	**Target Price (12M):** 6,32 $/GDR	Potential**:** +12,4%
KASE ticker: AIRA	**Current price:** 5,62 $/GDR	Rating**:** BUY

August 2025

Air Astana JSC (hereinafter referred to as the "Company") on August 5 published its financial and operating results for the 6 months ended June 30, 2025.

In our opinion, the report came out positive. The seasonally strong second quarter for Air Astana was confirmed by a 28% increase in the Company's quarterly revenue. Revenue of the Air Astana and Fly Arystan brands increased by 29% and 32%, respectively, compared to the same period last year.

We estimated the value of one share at 6.32$/GDR with a "Buy" recommendation.

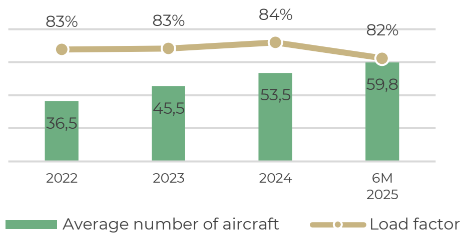
Financial Results for the 1st Half of 2025:

- Revenue of the Air Astana and Fly Arystan brands increased by 29% and 32%, respectively, compared to the same period last year. The main increase in revenue is due to an increase in revenue from passenger transportation by 27% compared to the same period in 2024. The Group's passenger growth of 11.6% to 4.5 million people was accompanied by the addition of five more new destinations, bringing the total number of routes to 20.
- As of the end of June 2025, Air Astana operated 61 aircraft, four more than in the same period last year. According to the company's plans, the fleet may reach 63 aircraft by the end of 2025 and is expected to increase to 84 aircraft by 2029.
- The throughput coefficient ASK (Available Seat Kilometers) of the group for the first half of 2025 increased by 17.8% YoY: by 9.3% - on domestic routes and by 25.2% - on international routes. At the same time, 76% of the increase in carrying capacity fell on the international route network. The largest growth in international carrying capacity was recorded in the directions to China and the Far East (+ 115%).
- Operating profit for the first six months of 2025 amounted to KZT 23.2 billion, up 54% compared to the same period in 2024. Operating margin rose by 21% to reach 7%. The company continues to optimize costs by simplifying the fleet, improving fuel efficiency, and launching its subsidiary «Air Astana Terminal Services», which focuses on ground handling and related services.
- Net profit for the first 6 months of 2025 increased by 146% to KZT 5.39 billion compared to the same period in 2024. The company also reported record-high cash reserves of KZT 276 billion. Net debt increased by 39% year-on-year to KZT 244 billion, driven by higher lease liabilities due to fleet expansion.

Financial indicators:

bln, ₸	6M 2025	6M 2024	Изменение (%)
Revenue	337	264	+28%
Operating expenses	(314)	(249)	+26%
Operating profit	23	15	+54%
Net profit	5	2	+146%
Cash and cash equivalents	276	197	+40%

Indicators:

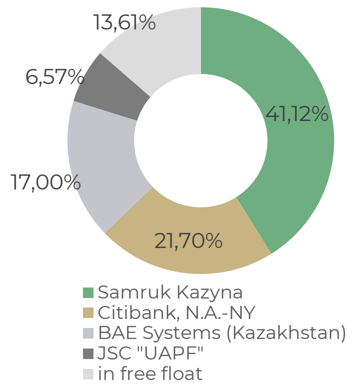


Marginality:

	6M 2025	6M 2024
ROA (LTM)	3,12%	3,22%
ROE (LTM)	16,26%	19,06%

Source: Company data, calculations by BCC Invest

Shareholders :



Market parameters:

Number of issued shares	355 517 473
Free float (%)	13,6
Market capitalization (bln, ₸)	270,2
52-week low / high (₸)	695 – 860,05

Kuttygul Syrym
Lead Analyst
skuttygul@bcc-invest.kz

«Air Astana» JSC (AIRA)

Financial results for the 1st half of 2025

LSE ticker: AIRA.L	**Target Price (12M):** 6,32 $/GDR	Potential: +12,4%
KASE ticker: AIRA	**Current price:** 5,62 $/GDR	Rating: BUY

Valuation model parameters. The improvement in operational and financial performance, including revenue growth, cash flows, net profit, and operating income, has formed the basis for revising the model parameters. In the updated model, growth rates of Revenue per Available Seat Kilometer (RASK) have been refined, taking into account the expansion of the aircraft fleet, as well as the revised dynamics of operating expenses and planned capital expenditures for future periods. Additionally, the parameters for calculating the Weighted Average Cost of Capital (WACC) were adjusted in connection with the increase in yields of risk-free instruments and the rise in the long-term inflation rate in Kazakhstan. As a result, the company's target share price is estimated at +12.4% relative to the current market value.

Table 1: Forecast data

In million KZT	Forecasts				
	2025 2H	**2026**	**2027**	**2028**	**2029**
NOPAT	42 226	69 106	74 735	79 216	85 000
Discount Rate	16,88%	16,88%	16,88%	16,88%	16,88%
Discounted Cash Flow (DCF)	14 793	62 148	49 537	46 433	41 934
Total Discounted Cash Flows	214 845				
Terminal Value	332 422				
EV	**547 267**				
Net Debt	-244 006				
Equity Value (Company's Value)	**303 261**				
Number of shares outstanding, mln	356				
Fair Value per Share, ₸/share	**853**				
Current Price, $/GDR	5,62				
Fair Value, $/GDR	6,32				
Upside/(Downside) Potential	12,43%				
Recommendation	**Buy**				

Calculation of discount rate:

Indicator	**Value**
Yield to Maturity of 10-year U.S. Treasury Bonds as of the Valuation Date	4,29%
Country Risk Premium	1,57%
Unlevered Beta	0,76
Levered Beta	1,30
Equity Risk Premium	6,57%
Risk premium for investing in a small-cap company	1,21%
Cost of equity, USD	**15,65%**
Long-Term Inflation in the U.S., 2025–2044	2,25%
Long-Term Inflation in Kazakhstan, 2025–2044	5,13%
Cost of Equity, KZT	**18,90%**
Cost of Debt (Before Tax)	18,31%
Corporate Income Tax Rate	20,00%
After-Tax Cost of Debt in the Operating Currency of the Valuation Object	**14,65%**
Capital Structure	
Equity / Invested Capital	52,38%
Debt / Invested Capital	47,62%
WACC	**16,88%**

«Air Astana» JSC (AIRA)

Financial results for the 1st half of 2025

Important Information. Disclaimer.

«Risk Information for Clients of «BCC Invest» JSC
Important information:
This material is distributed solely for informational purposes. The distribution of this material does not constitute investment advisory activity. The information provided in this material does not represent an individual investment recommendation. The recipient of this material should not rely solely on the information presented herein when making decisions. Calculations, historical data, and other information that may be contained in this material have been prepared by employees of "BCC Invest" JSC based on information and data obtained from public sources. "BCC Invest" JSC does not verify and is not obliged to verify the completeness, accuracy, and reliability of such information. Any information provided by "BCC Invest" JSC is used by the client entirely at their own discretion and risk. The information provided by "BCC Invest" JSC does not constitute an offer to purchase and/or an obligation to sell any security, an inducement to enter into a transaction, or a recommendation to the recipient with respect to investment, tax, or legal matters, including the question of whether a particular transaction is suitable for the recipient's specific objectives.
Before conducting transactions with securities, including foreign securities, currencies, and derivative financial instruments with various types of underlying assets (hereinafter – "Financial Instruments"), the recipients of this information must carefully review the documents describing such financial instruments (prospectus, etc.) and seek comprehensive consultations with their financial, legal, tax, accounting, and other advisors prior to entering into any transaction with financial instruments. Entering into transactions with financial instruments involves certain risks, for which "BCC Invest" JSC cannot be held liable, as these risks are beyond the reasonable control of the parties, and their ability to foresee and prevent the consequences of such risks is limited or impossible. The recipient of this information must independently assess the feasibility of entering into transactions with financial instruments. The recipient should not conclude any transaction if its economic and legal essence, documentation, terms, and associated risks remain unclear or do not correspond to the recipient's goals, intentions, and expectations. Transactions with financial instruments may involve significant financial and other risks. For this reason, such transactions are intended only for individuals who are willing to assume the relevant risks and are capable of bearing potential financial losses associated with them. Prior to entering into any transaction, the recipient must ensure that they fully understand the risks arising from such a transaction and possess the necessary financial and other resources to fulfill their obligations under any scenario. When making decisions regarding financial market operations, it must be taken into account that investing in financial instruments carries the risk of not achieving the expected return, the risk of losing part or even all of the invested funds, as well as potential expenses and losses. Any information on forecasted positive returns should only be regarded as assumptions. Past investment performance does not determine future results, and the value of assets may both increase and decrease. Changes in foreign exchange rates may also lead to a decrease or increase in the value of investments. "BCC Invest" JSC does not provide any guarantees or assurances and accepts no liability regarding financial results that may be obtained by the recipient of this information based on its use.
«Conflict of interest»
We hereby notify that "BCC Invest" JSC provides services similar to those described in the standard forms of brokerage service and nominee holding agreements to third parties, as well as accepts instructions from third parties under other agreements and carries out transactions and other operations with securities and other financial instruments both in the interests of third parties and for its own interests. In addition, "BCC Invest" JSC provides other services to third parties by combining different types of professional activities in accordance with the applicable legislation of the Republic of Kazakhstan, including information services, financial advisory services, underwriting, bondholders' representative services, asset trust management, and market-making services.
In the course of providing the above-mentioned services, "BCC Invest" JSC receives remuneration for such services, which may result in a conflict of interest between "BCC Invest" JSC and the client.
"BCC Invest" JSC does not recommend that the client enter into transactions with financial instruments if the execution of such a transaction would lead to a conflict of interest.

State License No. 3.2.235/12 dated 10.07.2018 for conducting activities in the securities market.