EQUITY RESEARCH

JSC "NAC KazAtomProm" (KAP)

1H 2025 Financial Results

Ticker KASE: KZAP	**Target price (12M):** 52 $	**Upside:** +16%
Ticker LSE: KAPq	**Current price:** 45$	**Rating:** BUY

September 2025

JSC "NAC KazAtomProm" (hereinafter referred to as "the Group") published its operational results for the 1H 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 52$, with a potential growth of 16% from the current market price, accompanied by a BUY recommendation.

1H 2025 results based on the consolidated financial statements:

- As of the 6M 2025, the revenue decline was driven by the discontinuation of uranium product sales and a reduction in uranium sales volumes.
- Uranium production volume increased by 13% as a result of a higher production plan, while the expected reduction in the target indicator at the Inkai JV is not anticipated to have a significant impact on the company's overall production plans for 2025.
- Sales volume declined by 2% year-over-year, primarily due to the timing of customer orders and delivery schedules, which can vary significantly.
- As of the 6M 2025, the cost of sales decreased by 16% driven primarily by a reduction in uranium purchases from joint ventures and associates. With fewer of these transactions, costs were largely influenced by prevailing spot prices and applicable discounts, further contributing to the overall decrease.
- The level of debt amounted to 192 bln KZT as of the 6M 2025, representing a 28% 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 raised to 15.7% 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 6M 2025.

Financial indicators:

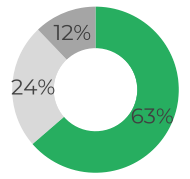
bln, KZT	6M 2025	6M 2024	diff (%)
Revenue	660	701	-6%
COGS	(374)	(443)	-16%
Gross profit	287	258	+11%
Operating profit	254	227	+12%
Net income	263	573	-54%
Cash and cash equivalents	584	152	+284%

Ratios:

	6M 2025	6M 2024
ROA	20%	37%
ROE	29%	49%

Source: Company data, BCC Invest analysis

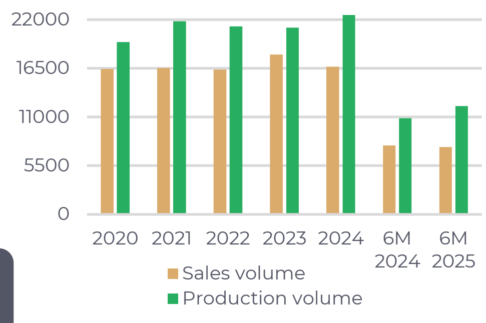
Shareholders:



Market metrics:

Number of shares	259,356,608
Market capitalization (bln, KZT)	6,438
52-week range (KZT)	16,080 – 24,999

Operating performance, tons:



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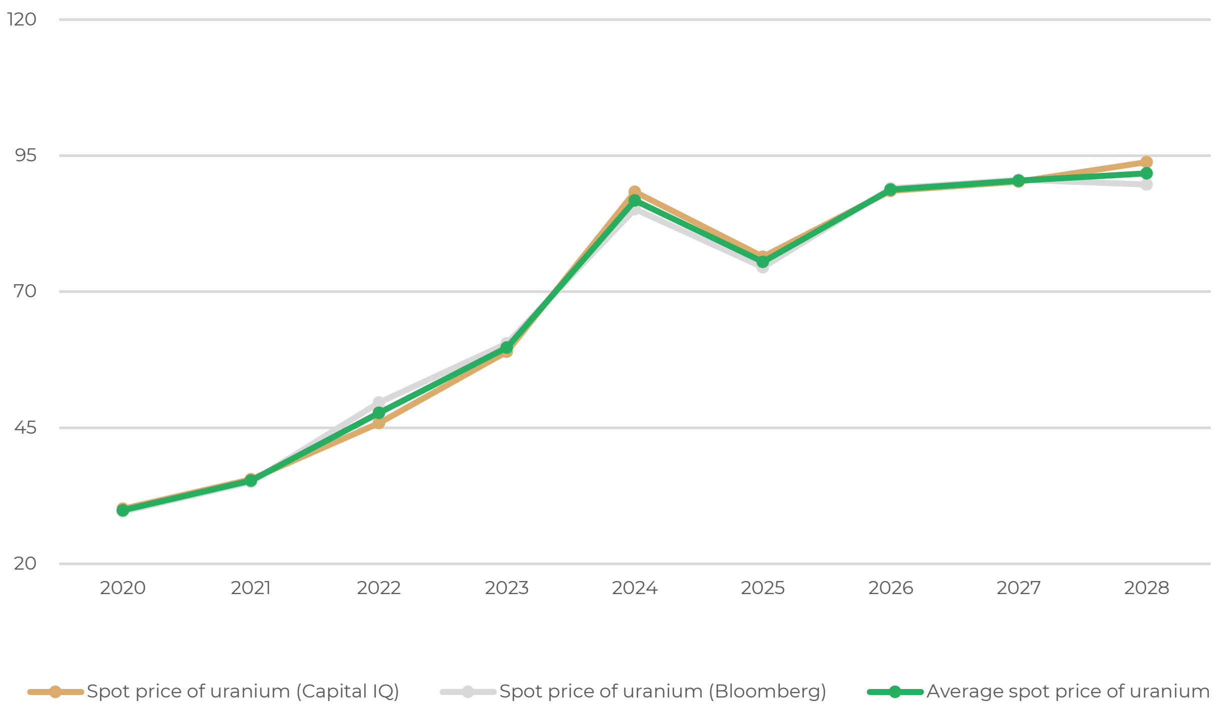
Spot price of uranium performance, USD/lb:



Public Company Comparables

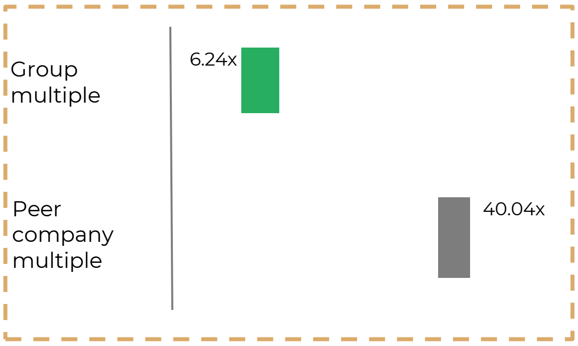
We examined the metrics of peer company EV/EBITDA, P/E as the most indicative multiples of Group performance.

Peer companies analysis

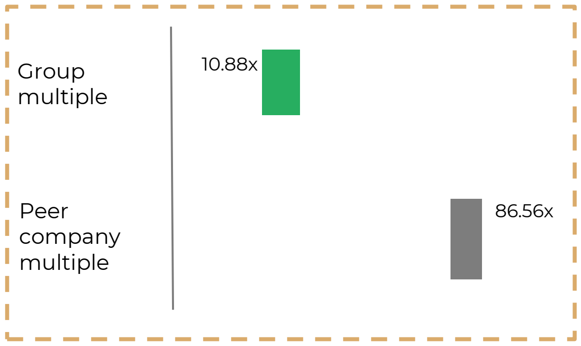
Company	Country	Ticker	Industry	EV/EBITDA	P/E
JSC National Atomic Company Kazatomprom	Kazakhstan	KAS:KZAP	Coal and Consumable Fuels	6.24	10.88
Cameco Corporation	Canada	TSX:CCO	Coal and Consumable Fuels	40.04	86.56

Source: Capital IQ, BCC Invest analysis

EV/EBITDA



P/E



The difference in EV/EBITDA and P/E multiples between Kazatomprom and Cameco indicates that the market values the Kazakh company more cautiously, implying not only more modest growth expectations but also potential upside should its performance strengthen.

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Discount rate calculation:

Rate	Value
Risk free rate (10-year US Treasury YTM)	4.30%
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	**13.24%**
CPI US, 2024-2043	2.29%
CPI KZ, 2024-2043	5.36%
Cost of Capital before tax in KZT	**16.63%**
Debt capital rate	18.31%
Tax rate	20.00%
Cost of Debt in KZT	**14.65%**
Capital structure	
Equity/Invested Capital	50.41%
Debt/Invested Capital	49.59%
WACC	**15.65%**

Table №1. Key financial indicators forecast

Bln KZT	Forecast				
	6M 2025	**2026**	**2027**	**2028**	**2029**
NOPAT	302,609	672,387	890,938	1,180,983	1,239,383
D&A	75,052	155,613	164,085	174,151	142,371
CapEX	(64,543)	(139,409)	(174,262)	(219,570)	(226,157)
Change in NWC	42,825	(542,175)	(252,397)	(328,117)	(47,703)
FCFF	355,943	146,415	628,364	807,448	1,107,893
Discount period	1	2	3	4	5
Discount rate	15.7%	15.7%	15.7%	15.7%	15.7%
Discount factor	0.86	0.75	0.65	0.56	0.48
Discounted cash flow	307,783	109,474	406,258	451,408	535,569
FCFF Discounted	1,810,492				
TV	4,531,838				
EV	**6,342,330**				
Net Debt	391,988				
Investment property	321,914				
Investments	227,222				
100% EV	**7,283,454**				
Number of shares, mln	259				
Fair value of the share, KZT/share	**28,083**				
Fair value of the share, USD/share*	52				
Current price, USD/share	45				
Upside	**16%**				

**540.05 USD/KZT exchange rate was used.*

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