

JSC "NAC KazAtomProm" (KAP)

1H 2026 Financial Results

Ticker KASE: KZAP

Target price (12M): 86 \$

Upside: +27%

Ticker LSE: KAP

Current price: 68 \$

Rating: BUY

September 2026

JSC "NAC KazAtomProm" (hereinafter referred to as "the Group") published its financial results for 1H 2026.

As a result of changes in the Group's financial indicators and changes in WACC, we have revised the price of one share to 86\$, with a potential growth of 27% from the current market price, accompanied by a BUY recommendation.

1H 2026 results based on the consolidated financial statements:

- Revenue for 1H 2026 rose 9% YoY to KZT 718 bn, driven by a 16% increase in the Group's average realised price to USD 67.88 per lb U3O8 (USD 58.54 a year earlier), while sales volumes declined 1%.
- U3O8 production on a 100% basis rose 9% YoY to 13,291 tU and on an attributable basis 10% to 7,054 tU, following the higher mining plan for 2026. The Company maintains its "value over volume" strategy and keeps its 2026 production guidance at 27,500 – 29,000 tU.
- Group sales volumes totalled 7,586 tU (-1% YoY), while KAP-level sales fell 13% on the timing of customer delivery requests. China remained the largest market with KZT 231 bn, or 32% of revenue, and finished goods inventories rose 23% YoY to 8,245 tU.
- Cost of sales rose 14% YoY to KZT 428 bn. Taxes other than income tax increased 98% on the shift to a differentiated MET rate (12.4% versus 9%), depreciation rose 30% and labour costs 21%, partly offset by a 7% decline in raw materials. CI cash cost rose to USD 24.48/lb (+37% YoY) and AISC to USD 38.45/lb (+25%). The Russian ban on sulphuric acid exports until the end of 2026 adds to the risk of higher CI and AISC.
- As of 30 June 2026, the Group's borrowings amounted to KZT 203 bn, while net debt remained negative with cash of KZT 361 bn. Total liabilities rose to KZT 1,352 bn on dividends for 2025 of KZT 335 bn, paid in July 2026.

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 increased to 15.8% in response to market changes. Additionally, uranium production and sales volumes were updated, along with the actual 1H 2026 results.

Financial indicators:

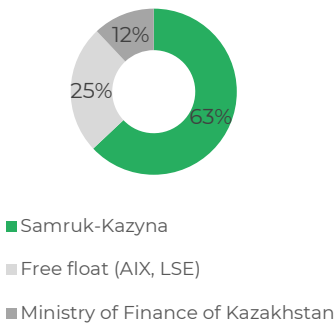
bln, KZT	6M 2026	6M 2025	Change (%)
Revenue	718	660	+9%
COGS	(428)	(374)	+14%
Gross profit	290	287	+1%
Operating profit	253	254	0%
Net income	240	263	-9%
Cash and cash equivalents	361	584	-38%

Ratios:

	6M 2026	6M 2025
ROA	18%	25%
ROE	27%	35%

Source: Company data, BCC Invest analysis

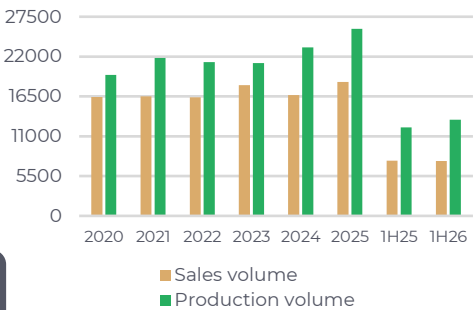
Shareholders:



Market metrics:

Number of shares	259,356,608
Market capitalization (bln, KZT)	7,904
52-week range (KZT)	26,000 – 45,493

Operating performance, tons:



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Discount rate calculation:

Rate	Value
Risk free rate (10-year US Treasury YTM)	5.00%
Country risk premium	1.27%
Beta unlevered	0.43
Beta relevered	0.73
Equity risk premium	9.18%
Cost of Capital before tax in USD	13.00%
CPI US, 2024-2043	2.21%
CPI KZ, 2024-2043	5.23%
Cost of Capital before tax in KZT	16.33%
Debt capital rate	19.04%
Tax rate	20.00%
Cost of Debt in KZT	15.23%
Capital structure	
Equity/Invested Capital	53.80%
Debt/Invested Capital	46.20%
WACC	15.82%

Table №1. Key financial indicators forecast

Mln KZT	Forecast				
	2H2026	2027	2028	2029	2030
NOPAT	496,590	1,012,985	1,391,041	1,800,289	2,147,870
D&A	82,486	174,115	188,292	206,395	164,807
CapEX	(98,125)	(204,696)	(266,105)	(332,631)	(382,526)
Change in NWC	(12,719)	(667,897)	(384,858)	(416,929)	(312,697)
FCFF	468,232	314,507	928,370	1,257,123	1,617,454
Discount period	1.0	2.0	3.0	4.0	5.0
Discount rate	15.8%	15.8%	15.8%	15.8%	15.8%
Discount factor	0.86	0.75	0.64	0.56	0.48
Discounted cash flow	404,262	234,441	597,483	698,528	775,961
FCFF Discounted	2,710,675				
TV	6,668,754				
EV	9,379,429				
Net Debt	157,548				
Investments	333,794				
100% EV	9,870,771				
Number of shares, mln	259				
Fair value of the share, KZT/share	38,059				
Fair value of the share, USD/share*	86				
Current price, USD/share	67.7				
Upside	27%				

*444.88 USD/KZT exchange rate as of 17.09.2026 was used.

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