



Freedom Holding Corp. (FRHC)

Expect Momentum Continued In 2Q:F22 On Improving Trading Volumes And Economic Outlooks In Key Markets; Highlight Recent M&A, Strong Balance Sheet; Maintain \$76 Price Target

	<u>F2020</u>	<u>F2021A</u>	<u>F2022E</u>		<u>F2023E</u>	
			<u>OLD</u>	<u>NEW</u>	<u>OLD</u>	<u>NEW</u>
June	\$0.14	\$0.42	\$0.87A		\$0.85	
Sep.	0.15	0.40	0.91		1.10	
Dec.	0.07	0.72	1.02		1.15	
Mar.	<u>0.02</u>	<u>0.90</u>	<u>1.14</u>		<u>1.25</u>	
EPS (FY)	\$0.38	\$2.45	\$3.93		\$4.35	
EPS (Cal.)		\$3.66	\$4.16		\$4.46	
P/E (FY)			16.4x		14.8x	
P/E (Cal.)			15.5x		14.4x	

Note: NR = Not Rated. Risk Ratings: H = Highly risky; M = Moderately risky. Sum of quarterly EPS may not equal full-year total due to rounding or changes in share count. The shares trade on the Nasdaq Capital Market under the ticker FRHC and also are listed on the Kazakhstan Stock Exchange (KASE) and the St. Petersburg Stock Exchange (SPB Exchange). Freedom Holding Corp. shares are included in the MSCI U.S. Small Cap 1750 and MSCI U.S. Investable Market 2500 indices. NC = Not covered by Sidoti & Company, LLC.

Year	F2014	F2015	F2016	F2017	F2018	F2019	F2020	F2021	F2022E	F2023E
Rev.(Mil.)	N/A	N/A	N/A	\$19.4	\$57.8	\$74.3	\$121.9	\$352.6	\$585.8	\$644.4
GAAP EPS	N/A	N/A	N/A	\$0.56	\$0.54	\$0.12	\$0.38	\$2.45	\$3.93	\$4.35

Description: Freedom Holding Corp. (freedomholdingcorp.com) is a financial services company operating primarily in Kazakhstan in Central Asia and Russia. The company is registered in Nevada as a U.S. corporation. The company has offices in Kazakhstan, Russia and the U.S. Headquarters are located in Kazakhstan.

Release Date	Conference Call	Time (Eastern)	Contact	Co. Guidance	Consensus
Nov 8 est.	N/A	N/A	N/A	N/A	\$0.91

- **We model 2Q:F22 revenue of \$139.5 million, compared to \$69.7 million in 2Q:F21 and EPS of \$0.91, compared to \$0.40.**
- **Our positive outlook is based on rising trading volumes in FRHC's home markets and the company's growing customer base and growth initiatives.**
- **We also think improving economic outlooks in FRHC's core markets bode well for continued momentum. The World Bank forecasts 2021 GDP growth at 4.3% and 4.8% in Russia and Uzbekistan.**
- **FRHC's customer base has nearly tripled since March 2019, reflecting organic growth and M&A.**
- **We view FRHC's balance sheet as strong. Cash and equivalents were \$674.1 million at the end of 1Q:F22, up from \$63.2 million at the end of F2020. In June 2021, S&P raised the long-term issuer credit ratings on debt of FRHC subsidiaries.**
- **We maintain our \$76 price target on FRHC shares, which is based on about 18x our unchanged F2023 EPS estimate of \$4.35.**

We expect FRHC to report 2Q:F22 results on about November 8 (the company's fiscal year end is March 31). Last year, FRHC filed its 2Q:21 10-Q on November 9. We model revenue of \$139.5 million, compared to \$69.7 million in 2Q:F21 and EPS of \$0.91 compared to \$0.40. These forecasts represent expected year-over-year growth of 100% and 128%, respectively. Our positive outlook is based on ongoing rising trading volumes in FRHC's home markets and the company's growing customer base and growth initiatives.

We expect the momentum FRHC showed in 1Q:F22 continued in 2Q:F22. FRHC reported total revenue of \$124.1 million in 1Q:F22, compared to \$56.4 million in 1Q:F21, representing year-over-year growth of 120%. FRHC reported EPS of \$0.87 compared to \$0.42.

We also think improving economic outlooks in Russia and Uzbekistan bode well for continued momentum. The World Bank recently increased the forecast for 2021 GDP in Russia. The World Bank now forecasts Russian GDP growth at 4.3% and 2.8% in 2021 and

NR

Price Target: \$76

Price: \$64.38

Risk Rating: M

Marla Backer
(212) 894-3316
(mbacker@sidoti.com)

Key Statistics

Analysts Covering	1
Market Cap (Mil)	\$3,830
Enterprise Value	\$3,428
52-Week Range (NASDAQ)	69-26
5-Year EPS CAGR	NM
Avg. Daily Trading Volume	394,000
Shares Out (Mil)	59.475
Float Shares (Mil)	16.879
Insider Ownership	73%
Institutional Holdings	0%
Annualized Dividend	Nil
Dividend Yield	N/A
FCF Per Share (F2021E)	\$12.64
FCF Yield (F2021E)	19.6%
Net Cash Per Share (F2021E)	\$12.80
Price to Book Value	11.4x
Return on Equity (F2021E)	14.5%
Total Debt to Capital	61%
Interest Coverage Ratio	5.1x
Short Interest %	9.4%
Short Interest Days To Cover	6.3
Russell 2000	2,254
Russell 2000 – Last 12 Months	39.7%
FRHC – Last 12 Months	149.7%



Source: FactSet Prices

2022, respectively, compared to its earlier forecast of 3.2% and 3.2% issued in June 2021. The World Bank’s forecast for GDP growth in Uzbekistan was unchanged, at 4.8% and 5.5%.

Economic growth and the pandemic have driven rising trading volumes in FRHC’s home markets. The COVID-19 stay-at-home orders apparently accelerated customer interest in trading activities, boosting trading volume significantly and, in turn, contributing to FRHC’s growth, in our view. The Moscow Exchange (MOEX) recently reported that the exchange set a new annual equities trading volume for 2021 of RUB 215 billion (\$2.9 billion). In 1H:21, retail investors, who form the basis of FRHC’s target market, accounted for about 6% of MOEX trading activity, according to exchange data. The Kazakhstan Stock Exchange (KASE) index recently exceeded 3,250 points, up about 28% from roughly 2,540 points at year-end 2020.

FRHC has added retail financial advisers organically and through M&A, which also contributes to customer base growth. FRHC acquired Bank Kassa Nova, Zerich Capital and U.S. broker dealer Prime Executions over the past few quarters. Bank Kassa Nova operates nine branches across Kazakhstan. Zerich Capital ranks as Russia’s 19th largest brokerage firm, measured by its client base, according to management. PrimeEx is a member of the New York Stock Exchange and represents FRHC’s initial entry into the U.S. market. PrimeEx executes more than 750 million shares of equities for clients monthly.

FRHC’s customer base has nearly tripled since March 2019. FRHC had more than 330,000 client accounts by the end of 1Q:F22, compared to about 115,000 at March 2019, or a nearly 70% CAGR. The growth also mirrors the company’s ongoing expansion of its branch network and launch of an online banking and trading platform in 2018.

FRHC reduced its stake in Freedom UA subsequent to the end of 1Q:F22. FRHC subsidiary Freedom UA is a Ukraine-based broker-dealer (BD). Regulatory changes in Ukraine regarding foreign ownership of BDs led FRHC to reduce its stake. FRHC now holds about a 9% interest in Freedom UA; the majority stake is held by FRHC’s president. FRHC recognized a \$52,000 loss attributable to Freedom UA in 1Q:F22, corresponding to its 90% participation in Freedom UA’s net results.

We view FRHC’s balance sheet as strong. Cash and equivalents were \$674.1 million at the end of 1Q:F22, up from \$63.2 million at the end of F2020. Total assets were \$2.1 billion, compared to \$1.5 billion at the close of 3Q:F21 (December 2020) and \$0.5 billion at the end of F2020. FRHC retired \$10.5 million of U.S. dollar denominated 8% Freedom KZ bonds during the quarter; debt securities issued fell to \$58.1 million at the end of 1Q:F22, from \$68.4 million at the end of F2021. The debt-to-equity ratio fell to 17%, compared with 56% at the close of F2020. The company’s debt-to-equity ratio fluctuates as FRHC takes advantage of the low interest rate environment to enhance liquidity.

In June 2021, S&P raised the long-term issuer credit ratings on debt of FRHC subsidiaries. Specifically, Kazakhstan-based JSC Freedom Finance and Russia-based Freedom Finance ratings increased from B- to B and affirmed their stable outlooks. S&P simultaneously affirmed its B short-term issuer credit ratings on both subsidiaries and raised its Kazakhstan national scale rating on JSC Freedom Finance to kzBB+ from kzBB. In addition, S&P also affirmed its B-/B long- and short-term issuer credit ratings and kzBB Kazakhstan national scale rating on JSC Bank Freedom Finance Kazakhstan.

Figure 1. Freedom Holding Corp. 2Q:F22 Comparisons (\$Mns)

	Sep-20	Sep-21	Variance	
	<u>2Q:F21</u>	<u>2Q:F22E</u>	<u>\$</u>	<u>YoY</u>
Fee and commission income	\$54,277	\$103,434	\$49,157	91%
Interest income	4,948	10,261	5,313	107%
Total revenue	69,710	139,474	69,764	100%
Interest expense	4,699	8,689	3,990	85%
Fee and commission expense	20,021	26,499	6,478	32%
Operating expense	15,867	28,646	12,779	81%
Provision/(recovery) for impairments	1,044	1,449	405	39%
Total expense	41,563	65,603	24,040	58%
Operating income	28,147	73,872	45,725	162%
Net income	23,563	59,097	35,534	151%
EPS / LPS	\$0.40	\$0.91	\$0.51	127%

Sources: Company Data, Sidoti & Company, LLC estimates

Valuation	We maintain a \$76 price target and Moderately Risky rating on FRHC shares. We see significant prospects for further growth, as the company leverages the economic development in its core markets and integrates PrimeEx. We think revenue growth, margin expansion and operational leverage will serve as catalysts for the shares. The \$76 price target is based on about 18x our F2023 EPS estimate of \$4.35. In the past three years, FRHC shares traded at 16x to 50x estimated earnings per share, with an average of 33x. Our comfort level regarding the potential economic and currency risk in the company’s core markets supports the Moderately Risky rating.		
Key Risks	Political and market risk.	Currency risk.	FRCH is a controlled company.

FREEDOM HOLDING CORP.

Freedom Holding Corp. Income Statement & Projections (\$000s)

	Mar-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	FY 2020	Jun-20	Sep-20	Dec-20	Mar-21	FY 2021A	Jun-21	Sep-21	Dec-21	Mar-22	FY 2022E	FY 2023E
	FY 2018	FY 2019	1Q:F20	2Q:F20	3Q:F20	4Q:F20	FY 2020	1Q:F21	2Q:F21	3Q:F21	4Q:F21	FY 2021A	1Q:F22A	2Q:F22E	3Q:F22E	4Q:F22E	FY 2022E	FY 2023E
Fee and commission income	\$12,174	\$44,316	\$22,592	\$26,363	\$20,583	\$23,130	\$92,668	\$43,339	\$54,277	\$74,333	\$99,990	\$271,939	\$97,406	\$103,434	\$113,778	\$125,156	\$439,774	\$483,751
Net gain on trading securities	34,227	20,162	2,562	3,947	6,448	1,966	14,923	9,084	8,302	18,944	9,856	46,186	9,900	26,361	28,997	31,896	97,154	106,869
Interest income	8,835	13,925	4,131	1,805	3,063	3,135	12,134	4,249	4,948	7,374	14,302	30,873	18,077	10,261	11,287	12,416	52,041	57,245
Net FX (loss)/gain	643	-	(36)	875	(1,080)	103	(138)	(248)	3,020	(1,413)	2,069	3,428	(1,187)	(1,966)	(2,163)	(2,379)	(7,695)	(8,465)
Other	1,878	(4,118)	-	-	556	1,759	2,315	(9)	(837)	995	(24)	125	(59)	1,385	1,523	1,675	4,524	4,976
Total revenue	57,757	74,285	29,249	32,990	29,570	30,093	121,902	56,415	69,710	100,233	126,193	352,551	124,137	139,474	153,422	168,764	585,797	644,376
Interest expense	14,735	14,649	3,163	2,737	2,713	3,786	12,399	3,744	4,699	6,649	58,008	73,100	14,272	8,689	9,384	10,135	42,480	46,299
Fee and commission expense	2,288	6,238	4,031	4,512	5,525	7,868	21,936	9,769	20,021	20,278	(22,702)	27,366	21,863	26,499	28,619	30,909	107,890	119,800
Operating expense	21,700	43,134	13,130	14,385	17,062	15,413	59,990	14,426	15,867	21,921	25,220	77,434	30,318	28,646	30,938	33,413	123,316	145,330
Provision/(recovery) for impairments	423	1,498	(1,073)	(395)	152	152	(1,164)	(378)	1,044	1,109	(214)	1,561	293	1,449	1,565	1,690	4,998	5,498
Other	(4)	251	308	249	118	(66)	609	(27)	(68)	244	(81)	68	14	319	344	372	1,049	963
Total expense	39,142	65,770	19,559	21,488	25,570	27,153	93,770	27,534	41,563	50,201	60,231	179,529	66,760	65,603	70,851	76,519	279,732	317,890
Operating income	18,615	8,515	9,690	11,502	4,000	2,940	28,132	28,881	28,147	50,032	65,962	173,022	57,377	73,872	82,571	92,245	306,064	326,487
Income tax (expense)/benefit	(418)	(1,368)	(1,476)	(2,866)	50	(1,710)	(6,002)	(4,605)	(4,584)	(7,711)	(13,198)	(30,098)	(5,669)	(14,774)	(16,514)	(18,449)	(55,406)	(63,844)
Net income	18,197	7,147	8,214	8,636	4,050	1,230	22,130	24,276	23,563	42,321	52,764	142,924	51,708	59,097	66,057	73,796	250,658	262,642
Other							(14,851)	8,704				1,928	3,300					
Minority interest							(2,707)	423				631	(52)					
Net to FRHC shareholders	18,197	7,147	8,214	8,636	4,050	1,230	22,130	32,557	23,563	42,321	52,764	142,924	55,060	59,097	66,057	73,796	250,658	262,642
EPS / LPS	\$0.54	\$0.12	\$0.14	\$0.15	\$0.07	\$0.02	\$0.38	\$0.42	\$0.40	\$0.72	\$0.90	\$2.45	\$0.87	\$0.91	\$1.02	\$1.14	\$3.93	\$4.35
Average shares outstanding	33,394	58,237	58,053	58,309	58,392	58,253	58,252	58,456	58,462	58,451	58,403	58,443	59,531	59,631	59,731	59,831	59,681	60,331
Margins																		
Operating	32%	11%					23%					49%					52%	51%
Net	32%	10%					18%					41%					43%	41%
YY Growth																		
Fee and commission income	198%	264%					109%					193%					62%	10%
Net gain on trading securities	217%	-41%					-26%					209%					110%	10%
Total Revenue	198%	29%					64%					189%					66%	10%
Operating Income	223%	-54%					230%					515%					77%	7%
Net Income	189%	-61%					210%					546%					75%	5%
EPS	-3%	-77%					210%					544%					61%	11%

Sources: Company Data, Sidoti & Company, LLC estimates

FREEDOM HOLDING CORP.

Freedom Holding Corp. Cash Flow Statement & Projections (\$000s)

	FY 2019				FY 2020				FY 2021				Mar-22E	Mar-23E
	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20A	Mar-21A	Jun-21A	Sep-21E	Dec-21E		
Net income	7,147	8,214	16,850	20,900	22,130	24,276	47,839	90,160	142,924	51,708	110,805	176,862	250,658	262,642
Depreciation and amortization	2,034	530	1,382	1,925	2,658	700	1,655	2,548	3,825	1,307	2,950	3,097	3,252	3,577
Noncash lease expense	-	1,483	2,628	4,684	6,298	1,606	3,302	4,502	6,136	1,854	5,212	5,472	5,746	6,320
Loss on sale of fixed assets	30	-	201	202	201	-	-	-	-	-	-	-	-	-
Change in deferred taxes	(580)	466	670	1,001	545	943	1,465	2,868	2,737	(2,216)	(1,994)	(1,795)	2,874	3,161
Stock compensation expense	3,498	773	2,390	2,936	3,677	525	1,055	1,607	1,147	2,162	1,860	1,953	1,158	1,274
Gain / loss on trading securities	5,373	2,479	247	5,251	7,847	2,206	(263)	(7,695)	(6,919)	(4,583)	(8,908)	(9,353)	(3,741)	(1,871)
Net change in accrued interest	322	173	530	(233)	(816)	(1,230)	(328)	-	(13,074)	(4,054)	(3,649)	(3,284)	(1,313)	(525)
Allowance for receivables	1,498	(1,073)	(1,468)	(1,316)	(1,164)	(378)	666	1,775	1,561	293	2,055	2,158	10,788	11,866
Changes in working capital	39,153	100,867	39,076	34,047	2,895	664,390	240,760	604,225	426,445	(117,412)	(70,447)	(42,268)	447,767	470,156
Other	-	(346)	-	(752)	-	(2,312)	885	(1,036)	517	-	(1,199)	(1,259)	-	-
Cash from operations	58,475	113,566	62,506	68,645	44,271	690,726	297,036	698,954	565,299	(70,941)	36,684	131,582	717,188	756,602
Purchase of fixed assets	(4,987)	(721)	(1,903)	(3,608)	(4,631)	(1,488)	(2,129)	(3,072)	(4,163)	(2,762)	(3,556)	(3,734)	(3,921)	(3,137)
Proceeds from sale of fixed assets	264	7	245	468	285	214	271	227	91	179	263	276	290	293
Purchase/proceeds securities sales	231	-	(8,560)	(7,455)	(6,508)	6,508	6,437	6,437	6,437	-	(7,452)	(7,824)	(23,473)	(37,556)
M&A activity including cash assumed	(2,240)	-	-	-	-	-	16,711	94,826	94,675	-	(109,773)	(115,262)	(121,025)	(157,332)
Cash from investing activities	(6,732)	(714)	(10,218)	(10,595)	(10,854)	5,234	21,290	98,418	97,040	(2,583)	(120,518)	(126,544)	(148,128)	(197,732)
Net repurchases	(59,663)	(16,919)	(1,404)	(15,285)	(16,730)	5,275	138,149	63,166	349,717	16,792	15,113	13,602	(16,960)	(17,130)
Proceeds from issuance of debt securities	34,287	1,194	2,909	17,722	62,970	1,045	1,991	3,554	3,626	-	4,114	4,320	4,536	4,581
Repurchase of debt securities	(14,786)	(9)	(4,441)	(7,256)	(9,578)	(7,300)	(8,196)	(8,186)	(8,350)	(10,105)	(10,105)	(10,105)	(10,448)	(10,552)
Capital contributions	225	(3,916)	(3,919)	-	-	-	-	-	-	-	-	-	-	-
Net proceeds from loans received	(2,406)	99	99	(4,008)	-	-	-	3,300	3,300	-	-	-	-	-
Other	20	99	99	455	(3,553)	-	-	118	118	-	-	-	(20,200)	(22,220)
Cash from financing activities	(42,323)	(19,551)	(6,756)	(8,372)	33,109	(980)	131,944	61,952	348,411	6,687	9,122	7,816	(43,072)	(45,320)
FX	(8,693)	2,616	(1,900)	5,281	(25,141)	13,890	(28,451)	3,787	(3,769)	23,173	4,260	4,430	4,607	4,147
Changes in cash	727	95,917	43,632	54,959	41,385	708,870	421,819	863,111	1,006,981	(43,664)	(70,452)	17,285	530,595	517,696
Beginning cash	87,693	88,420	88,420	88,420	88,420	129,805	129,805	129,805	129,805	1,136,786	1,136,786	1,136,786	1,136,786	1,136,786
Ending cash (including restricted cash)	88,420	184,337	132,052	143,379	129,805	838,675	551,624	992,916	1,136,786	1,093,122	1,066,334	1,154,071	1,667,381	1,654,482
FCF	49,990				35,963				559,989				712,109	752,191
FCF/share	\$0.86				\$0.62				\$9.58				\$11.04	\$12.64

Sources: Company Data, Sidoti & Company, LLC estimates

FREEDOM HOLDING CORP.

Freedom Holding Corp. Balance Sheet & Projections (\$000s)

	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20A	Mar-21A	Jun-21A	Sep-21E	Dec-21E	Mar-22E
Cash and cash equivalents	\$49,960	\$141,900	\$80,875	\$93,653	\$63,208	\$199,303	\$443,439	\$624,572	698,828	\$674,076	605,383	647,026	835,261
Restricted cash	38,460	42,437	51,177	49,726	66,597	639,372	108,185	368,344	437,958	419,046	460,951	507,046	832,120
Trading securities	167,949	161,021	163,823	164,145	156,544	177,084	311,832	345,313	736,188	825,364	148,226	149,708	151,205
Available-for-sale securities	2	2	8,588	7,483	6,438	1	1	1	1	1	1	1	1
Brokerage and other receivables	73,836	43,191	76,883	157,217	113,687	102,522	157,701	59,082	64,801	121,450	60,872	61,481	62,096
Loans issued	2,525	2,616	6,756	10,775	10,461	9,958	9,695	11,655	11,667	13,385	12,008	12,128	12,250
Deferred tax assets	1,265	822	599	281	570	-	-	-	-	-	-	-	-
Fixed assets	5,563	6,011	6,001	6,619	6,384	7,553	6,976	17,989	18,385	20,081	18,534	18,719	18,907
Intangible assets	4,226	4,012	3,821	4,430	3,422	3,690	6,883	10,356	9,785	9,487	10,670	10,776	10,884
Goodwill	2,936	2,956	2,914	2,969	2,607	2,795	2,670	6,202	7,868	7,891	7,891	7,891	7,891
Right-of-use asset	-	14,281	14,472	15,748	14,543	15,527	13,648	14,391	13,262	17,450	11,744	11,862	11,980
Other assets	4,189	9,852	9,732	10,195	9,062	11,751	15,488	15,749	19,902	19,112	697,652	699,958	205,266
Total assets	350,911	429,101	425,641	523,241	453,523	1,169,556	1,076,518	1,473,654	2,018,645	2,127,343	2,033,933	2,126,595	2,147,861
Debt securities issued	28,538	29,772	3,631	39,150	72,296	67,584	66,462	68,400	68,443	58,123	59,576	61,065	73,279
Customer liabilities	82,032	174,143	150,615	192,754	168,432	808,752	525,929	967,256	1,163,697	1,067,864	1,040,722	1,051,129	1,061,641
Trade payables	32,695	12,600	9,000	56,130	8,398	38,879	92,964	19,201	22,304	150,673	88,141	89,023	89,913
Deferred distribution payments	8,534	8,534	8,534	8,534	8,534	8,534	8,534	8,534	8,534	8,534	43,528	43,963	44,403
Securities repurchase agreements	73,621	56,566	70,717	57,875	48,204	58,582	182,848	144,402	426,715	442,494	235,687	238,044	240,424
Income tax liability	754	1,602	2,609	165	1,407	4,571	5,135	3,936	4,385	21,362	4,055	4,096	4,137
Lease liability	-	15,856	15,979	17,270	14,384	15,484	13,565	14,195	13,249	17,345	14,625	14,771	14,919
Loans received	4,008	92	-	-	-	-	790	3,680	3,373	3,414	3,792	3,829	3,868
Other liabilities	3,132	4,121	30,437	9,452	2,831	4,628	4,575	18,492	32,274	24,693	188,450	222,284	163,403
Total liabilities	233,314	303,286	291,522	381,330	324,486	1,007,014	900,802	1,248,096	1,742,974	1,794,502	1,678,576	1,728,205	1,695,985
Common stock	58	58	58	58	58	58	58	58	58	58	58	58	58
Additional paid in capital	99,093	99,965	101,247	102,149	102,890	103,415	103,945	104,615	104,672	106,834	107,785	108,863	109,951
Retained earnings	41,498	48,201	56,966	62,007	66,335	90,188	113,878	156,252	208,628	260,388	283,951	326,272	379,036
AOCL	(23,052)	(22,409)	(24,458)	(21,618)	(37,974)	(29,270)	(40,189)	(33,338)	(36,046)	(32,746)	(34,348)	(34,692)	(35,039)
FRHC shareholder equity	117,597	125,815	133,813	142,596	131,309	164,391	177,692	227,587	277,312	334,534	357,446	400,501	454,007
Non-controlling interest	-	-	306	(685)	(2,272)	(1,849)	(1,976)	(2,029)	(1,641)	(1,693)	(2,089)	(2,110)	(2,131)
Total shareholder equity	117,597	125,815	134,119	141,911	129,037	162,542	175,716	225,558	275,671	332,841	355,356	398,391	451,875
Liabilities & shareholder equity	350,911	429,101	425,641	523,241	453,523	1,169,556	1,076,518	1,473,654	2,018,645	2,127,343	2,033,933	2,126,595	2,147,861
Balance Sheet Metrics:													
Total Debt/Equity	24%	24%	3%	28%	56%	42%	38%	30%	25%				16%
Net Cash* (Debt)	21,422	112,128	77,244	54,503	(9,088)	131,719	376,977	556,172	630,385	615,953	545,807	585,960	761,983
Net Cash (Debt) per Share	\$0.37	\$1.93	\$1.32	\$0.93	(\$0.16)	\$2.26	\$6.45	\$9.51	\$10.78				\$12.80
Return on Avg Equity (ROE)	6.1%	6.5%	6.4%	2.9%	1.0%	13.6%	13.8%	10.4%	15.4%				14.2%

Sources: Company Data, Sidoti & Company, LLC estimates

*Excluding restricted cash

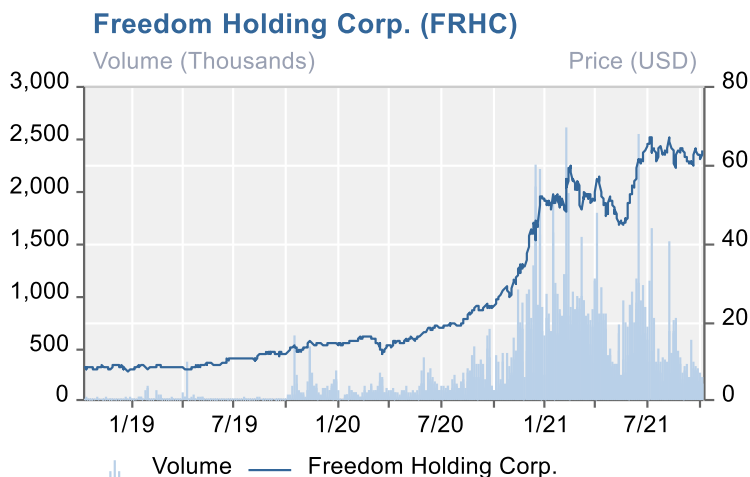
Appendix Required Disclosures

Required Disclosures

Freedom Holding Corp. (FRHC-\$64.38) NR Price Target: \$76 Risk Rating: M

Rating and Price Target History Table

Action	Date	Px	Rating	PT	Risk Rating
Initiation	5/27/21	46.9	NR	76	M
PT	6/16/21	61.8		76	
PT	7/28/21	63.1		76	
PT	8/10/21	67.3		76	



Valuation	We maintain a \$76 price target and Moderately Risky rating on FRHC shares. We see significant prospects for further growth, as the company leverages the economic development in its core markets and integrates PrimeEx. We think revenue growth, margin expansion and operational leverage will serve as catalysts for the shares. The \$76 price target is based on about 18x our F2023 EPS estimate of \$4.35. In the past three years, FRHC shares traded at 16x to 50x estimated earnings per share, with an average of 33x. Our comfort level regarding the potential economic and currency risk in the company's core markets supports the Moderately Risky rating.		
Key Risks	Political and market risk.	Currency risk.	FRCH is a controlled company.

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