



## Freedom Holding Corp. (FRHC)

**2Q:F22 Revenue More Than Tripled Compared To 2Q:F21, Driving Operating Leverage And Higher EPS; Highlight New Product Launches, Strong Balance Sheet; Maintain \$76 Price Target**

	F2020	F2021A	F2022E		F2023E	
			OLD	NEW	OLD	NEW
June	\$0.14	\$0.42	\$0.87A		\$0.85	
Sep.	0.15	0.40	0.91	\$3.44	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)	<b>\$0.38</b>	<b>\$2.45</b>	<b>\$3.93</b>	<b>\$6.46</b>	<b>\$4.35</b>	
EPS (Cal.)		\$3.66	\$4.16		\$4.46	
P/E (FY)				<b>11.1x</b>	<b>16.4x</b>	
P/E (Cal.)			17.2x		16.0x	

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	\$759.1	\$644.4
GAAP EPS	N/A	N/A	N/A	\$0.56	\$0.54	\$0.12	\$0.38	\$2.45	\$6.46	\$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.

- **FRHC's 2Q:F22 revenue more than tripled to \$312.8 million compared to \$69.7 million in 2Q:F21. Excluding net gains/losses on trading securities in both fiscal years, revenue growth would have been 124%.**
- **The company realized operating leverage on the higher revenue base. Total expenses comprised 24.5% of total revenue, compared to 59.6% in the prior year quarter. In 2Q:F22 EPS increased to \$3.44 versus \$0.40 in the year ago period and our estimate of 40.91. However, we view the significant 2Q:F22 gain on trading securities as non-recurring and are not revising our F2023 forecast at this point.**
- **FRHC had more than 340,000 client accounts by the end of 2Q:F22, compared to about 195,000 at the end of 2Q:F21 and 115,000 at March 2019. We think customer base growth and increased customer activity are being driven by rising trading volumes in FRHC's home markets and the company's growth initiatives.**
- **The company also continues to introduce new products to enhance revenue, including the recent launch of a new digital mortgage product and Invest cards.**
- **We view FRHC's balance sheet as strong. Cash and equivalents were \$740.4 million, up from \$698.8 million and \$63.2 million at the end of F2021 and F2020, respectively. Debt-to-equity fell to 11%, compared with 56% at the close of F2020. S&P raised the credit ratings on debt of FRHC subsidiaries in 2021. We forecast free cash flow per share of \$12.64 in F2023, up from an estimated \$11.04 in F2022 and \$9.58 in F2021.**
- **We maintain our \$76 price target on FRHC shares, which is based on about 18x our unchanged F2023 EPS estimate of \$4.35.**

**FRHC's 2Q:F22 revenue more than tripled to \$312.8 million compared to \$69.7 million in 2Q:F21 (the company's fiscal year end is March 31st). We modeled \$139.5 million. Primarily reflecting the ongoing expansion of FRHC's customer base and higher customer activity, fee and commission income, FRHC's largest revenue category, advanced 115% year-over-year to \$116.5 million. This compares to \$54.3 million in 2Q:F21 and our forecast of \$103.4 million.**

**The net gain on trading securities was \$175.3 million, compared to \$8.3 million in**

**NR**  
Price Target: \$76  
Price: \$71.43  
Risk Rating: M

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### Key Statistics

Analysts Covering	1
Market Cap (Mil)	\$4,250
Enterprise Value	\$3,853
52-Week Range (NASDAQ)	72-30
5-Year EPS CAGR	NM
Avg. Daily Trading Volume	401,000
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 (F2023E)	\$12.64
FCF Yield (F2023E)	17.7%
Net Cash Per Share (F2023E)	\$12.80
Price to Book Value	12.7x
Return on Equity (F2023E)	14.5%
Total Debt to Capital	61%
Interest Coverage Ratio	5.1x
Short Interest %	5.0%
Short Interest Days To Cover	3.2
Russell 2000	2,443
Russell 2000 - Last 12 Months	48.6%
FRHC - Last 12 Months	130.3%



Source: FactSet Prices

**2Q:F21.** This revenue category can fluctuate greatly from quarter to quarter, depending on the performance and / or sales of the securities in the company's investment portfolio. FRHC sold its SPBX ETF units for about \$155,673 during 2Q:22. Reflecting this non-recurring asset sale, the revenue category comprised 56% of total revenue, compared to 12% in the prior year quarter. Excluding the category in both fiscal years, revenue growth would have been 124%.

**The company realized operating leverage on the higher revenue base.** Total expenses comprised 24.5% of total revenue, compared to 59.6% in the prior year quarter. FRHC reported EPS of \$3.44, compared to \$0.40 last year and our forecast of \$0.91. We continue to expect strong growth and operating improvements for FRHC, as the company expands its customer base and portfolio of products and services. Nevertheless, we view the significant 2Q:F22 gain on trading securities as non-recurring and therefore are not revising our F2023 forecast at this point.

**FRHC had more than 340,000 client accounts by the end of 2Q:F22, compared to about 195,000 at the end of 2Q:F21.** FRHC's customer base has nearly tripled since March 2019. More than 60% of the 2Q:F22 customers were active accounts that recorded one transaction or more in the quarter. We think customer base growth and increased customer activity are being driven by rising trading volumes in FRHC's home markets and the company's growth initiatives. The growth also mirrors the company's ongoing expansion of its branch network and launch of an online banking and trading platform in 2018.

**The company also continues to introduce new products to enhance revenue.** For example, FRHC's Freedom Bank KZ subsidiary recently launched a new digital mortgage product in July 2021, enabling customers in Kazakhstan to apply for residential mortgage loans online with no upfront cost. The revenue stream from this product is minimal at only \$11,079 from 312 digital mortgage loans approved at the end of 2Q:22, but has upside potential as the emerging Kazakhstan financial services sector continues to evolve. Freedom Bank KZ has also issued more than 3,000 limited Invest cards, which enables cardholders to transfer money to and from investment accounts and access their brokerage accounts 24-7, among other features.

**Following regulatory changes in Ukraine regarding foreign ownership of broker-dealers, FRHC reduced its stake in Freedom UA.** FRHC now holds about a 9% interest in Freedom UA, Freedom UA is a Ukraine-based broker-dealer (BD); the majority stake is held by FRHC's president.

**We view FRHC's balance sheet as strong.** Cash and equivalents were \$740.4 million, up from \$698.8 million and \$63.2 million at the end of F2021 and F2020, respectively. Total assets were \$2.5 billion, compared to \$2.1 billion at the close of the prior quarter. The debt-to-equity ratio fell to 11%, compared with 17% at the end of the prior quarter and 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	Sep-21	Variance	
	2Q:F21	2Q:F22E	2Q:F22A	\$	YoY
Fee and commission income	\$54,277	\$103,434	\$116,534	\$62,257	115%
Interest income	4,948	10,261	20,063	15,115	305%
Total revenue	69,710	139,474	312,815	243,105	349%
Interest expense	4,699	8,689	22,968	18,269	389%
Fee and commission expense	20,021	26,499	16,185	(3,836)	-19%
Operating expense	15,867	28,646	36,569	20,702	130%
Provision/(recovery) for impairments	1,044	1,449	366	(678)	-65%
Total expense	41,563	65,603	76,741	35,178	85%
Operating income	28,147	73,872	236,074	207,927	739%
Net income	23,563	59,097	(31,562)	(55,125)	-234%
EPS / LPS	\$0.40	\$0.91	\$3.44	\$3.03	753%

Sources: Company Data, Sidoti & Company, LLC estimates

<b>Valuation</b>	<b>We maintain a \$76 price target and Moderately Risky rating on FRHC shares.</b> We see significant prospects for further growth, as the company leverages the economic development in its core markets and integrates its recently acquired PrimeEx unit. 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 unchanged 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.		
<b>Key Risks</b>	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-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23				
	FY 2018	FY 2019	1Q:F21	2Q:F21	3Q:F21	4Q:F21	1Q:F22A	2Q:F22A	3Q:F22E	4Q:F22E	1Q:FY23E	2Q:FY23E	3Q:FY23E	4Q:FY23E				
Fee and commission income	\$12,174	\$44,316	\$92,668	\$43,339	\$54,277	\$74,333	\$99,990	\$271,939	\$97,406	\$116,534	\$113,778	\$125,156	\$452,873	\$107,147	\$113,778	\$125,156	\$137,671	\$483,751
Net gain on trading securities	34,227	20,162	14,923	9,084	8,302	18,944	9,856	46,186	9,900	175,252	28,997	31,896	246,045	10,890	28,997	31,896	35,086	106,869
Interest income	8,835	13,925	12,134	4,249	4,948	7,374	14,302	30,873	18,077	20,063	11,287	12,416	61,843	19,885	11,287	12,416	13,657	57,245
Net FX (loss)/gain	643	-	(138)	(248)	3,020	(1,413)	2,069	3,428	(1,187)	1,622	(2,163)	(2,379)	(4,107)	(1,306)	(2,163)	(2,379)	(2,617)	(8,465)
Other	1,878	(4,118)	2,315	(9)	(837)	995	(24)	125	(59)	(656)	1,523	1,675	2,483	(65)	1,523	1,675	1,843	4,976
Total revenue	57,757	74,285	121,902	56,415	69,710	100,233	126,193	352,551	124,137	312,815	153,422	168,764	759,137	136,551	153,422	168,764	185,640	644,376
Interest expense	14,735	14,649	12,399	3,744	4,699	6,649	58,008	73,100	14,272	22,968	9,384	10,135	56,759	15,271	9,558	10,322	11,148	46,299
Fee and commission expense	2,288	6,238	21,936	9,769	20,021	20,278	(22,702)	27,366	21,863	16,185	28,619	30,909	97,576	26,787	27,307	31,289	34,418	119,800
Operating expense	21,700	43,134	59,990	14,426	15,867	21,921	25,220	77,434	30,318	36,569	30,938	33,413	131,238	32,137	31,511	37,128	44,554	145,330
Provision/(recovery) for impairments	423	1,498	(1,164)	(378)	1,044	1,109	(214)	1,561	293	366	1,565	1,690	3,915	322	1,594	1,722	1,859	5,498
Other	(4)	251	609	(27)	(68)	244	(81)	68	14	653	344	372	1,383	15	159	379	409	963
Total expense	39,142	65,770	93,770	27,534	41,563	50,201	60,231	179,529	66,760	76,741	70,851	76,519	290,871	74,532	70,129	80,840	92,388	317,890
Operating income	18,615	8,515	28,132	28,881	28,147	50,032	65,962	173,022	57,377	236,074	82,571	92,245	468,267	62,018	83,293	87,924	93,252	326,487
Income tax (expense)/benefit	(418)	(1,368)	(6,002)	(4,605)	(4,584)	(7,711)	(13,198)	(30,098)	(5,669)	(31,562)	(16,514)	(18,449)	(72,194)	(11,783)	(15,826)	(17,585)	(18,650)	(63,844)
Net income	18,197	7,147	22,130	24,276	23,563	42,321	52,764	142,924	51,708	204,512	66,057	73,796	396,072	50,235	67,467	70,339	74,602	262,642
Other			(14,851)	8,704				1,928	3,300				3,630					
Minority interest			(2,707)	423				631	(52)	(20)			(57)					
Net to FRHC shareholders	18,197	7,147	22,130	32,557	23,563	42,321	52,764	142,924	55,060	204,532	66,057	73,796	396,072	60,566	67,467	72,662	81,175	262,642
EPS / LPS	\$0.54	\$0.12	\$0.38	\$0.42	\$0.40	\$0.72	\$0.90	\$2.45	\$0.87	\$3.44	\$1.02	\$1.14	\$6.46	\$0.85	\$1.12	\$1.15	\$1.23	\$4.35
Average shares outstanding	33,394	58,237	58,252	58,456	58,462	58,451	58,403	58,443	59,531	59,511	59,731	59,831	59,651	60,031	60,231	60,431	60,631	60,331

Margins	Mar-18	Mar-19	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Operating	32%	11%	23%				49%				62%			51%
Net	32%	10%	18%				41%				52%			41%
YY Growth	Mar-18	Mar-19	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Fee and commission income	198%	264%	109%				193%				67%			7%
Net gain on trading securities	217%	-41%	-26%				209%				433%			-57%
Total Revenue	198%	29%	64%				189%				115%			-15%
Operating Income	223%	-54%	230%				515%				171%			-30%
Net Income	189%	-61%	210%				546%				177%			-34%
EPS	-3%	-77%	210%				544%				164%			-33%

Sources: Company Data, Sidot & 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-21A	Dec-21E		
Net income	7,147	8,214	16,850	20,900	22,130	24,276	47,839	90,160	142,924	51,708	256,220	322,277	396,072	262,642
Depreciation and amortization	2,034	530	1,382	1,925	2,658	700	1,655	2,548	3,825	1,307	2,634	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	2,221	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)	1,458	1,312	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	6,722	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)	(35,616)	(9,353)	(3,741)	(1,871)
Net change in accrued interest	322	173	530	(233)	(816)	(1,230)	(328)	-	(13,074)	(4,054)	(18,187)	(16,368)	(1,313)	(525)
Allowance for receivables	1,498	(1,073)	(1,468)	(1,316)	(1,164)	(378)	666	1,775	1,561	293	659	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)	(362,252)	(217,351)	447,767	470,156
Other	-	(346)	-	(752)	-	(2,312)	885	(1,036)	517	-	-	(1,259)	-	-
Cash from operations	58,475	113,566	62,500	68,645	44,271	690,726	297,036	698,954	565,299	(70,941)	(146,141)	91,937	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)	(3,903)	(3,734)	(3,921)	(3,137)
Proceeds from sale of fixed assets	264	7	245	468	285	214	271	227	91	179	160	276	290	293
Purchase/proceeds securities sales	231	-	(8,560)	(7,455)	(6,508)	6,508	6,437	6,437	6,437	-	-	(7,824)	(23,473)	(37,556)
M&A activity including cash assumed	(2,240)	-	-	-	-	-	16,711	94,826	94,675	-	(3,341)	(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)	(7,084)	(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	109,016	98,114	(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	-	-	4,320	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)	(10,134)	(10,134)	(10,448)	(10,552)
Capital contributions	225	(3,916)	(3,919)	-	-	-	-	-	-	-	-	-	-	-
Net proceeds from loans received	(2,406)	-	-	(4,008)	-	-	-	3,300	3,300	-	-	-	-	-
Other	20	99	99	455	(3,553)	-	-	118	118	-	188	-	(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	99,070	92,300	(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	17,622	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)	(36,533)	62,124	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
<b>Ending cash</b> (including restricted cash)	<b>88,420</b>	<b>184,337</b>	<b>132,052</b>	<b>143,379</b>	<b>129,805</b>	<b>838,675</b>	<b>551,624</b>	<b>992,916</b>	<b>1,136,786</b>	<b>1,093,122</b>	<b>1,100,253</b>	<b>1,198,910</b>	<b>1,667,381</b>	<b>1,654,482</b>
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-21A	Dec-21E	Mar-22E	Mar-23E
Cash and cash equivalents	\$49,960	\$141,900	\$80,875	\$93,653	\$63,208	\$199,303	\$443,439	\$624,572	698,828	\$674,076	740,425	803,099	835,261	\$843,614
Restricted cash	38,460	42,437	51,177	49,726	66,597	639,372	108,185	368,344	437,958	419,046	359,828	395,811	832,120	840,441
Trading securities	167,949	161,021	163,823	164,145	156,544	177,084	311,832	345,313	736,188	825,364	974,481	149,708	151,205	152,717
Available-for-sale securities	2	2	8,588	7,483	6,438	1	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	317,124	61,481	62,096	62,717
Loans issued	2,525	2,616	6,756	10,775	10,461	9,958	9,695	11,655	11,667	13,385	32,647	12,128	12,250	12,372
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	20,506	18,719	18,907	19,096
Intangible assets	4,226	4,012	3,821	4,430	3,422	3,690	6,883	10,356	9,785	9,487	9,016	10,776	10,884	10,993
Goodwill	2,936	2,956	2,914	2,969	2,607	2,795	2,670	6,202	7,868	7,891	7,894	7,894	7,894	7,970
Right-of-use asset	-	14,281	14,472	15,748	14,543	15,527	13,648	14,391	13,262	17,450	16,471	11,862	11,980	12,100
Other assets	4,189	9,852	9,732	10,195	9,062	11,751	15,488	15,749	19,902	19,112	22,066	655,116	205,263	207,319
<b>Total assets</b>	<b>350,911</b>	<b>429,101</b>	<b>425,641</b>	<b>523,241</b>	<b>453,523</b>	<b>1,169,556</b>	<b>1,076,518</b>	<b>1,473,654</b>	<b>2,018,645</b>	<b>2,127,343</b>	<b>2,500,459</b>	<b>2,126,595</b>	<b>2,147,861</b>	<b>2,169,339</b>
Debt securities issued	28,538	29,772	3,631	39,150	72,296	67,584	66,462	68,400	68,443	58,123	58,246	59,702	71,643	74,011
Customer liabilities	82,032	174,143	150,615	192,754	168,432	808,752	525,929	967,256	1,163,697	1,067,864	1,219,364	1,051,129	1,061,641	1,072,257
Trade payables	32,695	12,600	9,000	56,130	8,398	38,879	92,964	19,201	22,304	150,673	51,071	89,023	89,913	90,812
Deferred distribution payments	8,534	8,534	8,534	8,534	8,534	8,534	8,534	8,534	8,534	8,534	8,534	43,963	44,403	44,847
Securities repurchase agreements	73,621	56,566	70,717	57,875	48,204	58,582	182,848	144,402	426,715	442,494	537,277	238,044	240,424	242,829
Income tax liability	754	1,602	2,609	165	1,407	4,571	5,135	3,936	4,385	21,362	39,860	4,096	4,137	4,178
Lease liability	-	15,856	15,979	17,270	14,384	15,484	13,565	14,195	13,249	17,345	16,298	14,771	14,919	15,068
Loans received	4,008	92	-	-	-	-	790	3,680	3,373	3,414	3,456	3,829	3,868	3,906
Other liabilities	3,132	4,121	30,437	9,452	2,831	4,628	4,575	18,492	32,274	24,693	22,974	42,678	(15,930)	165,037
<b>Total liabilities</b>	<b>233,314</b>	<b>303,286</b>	<b>291,522</b>	<b>381,330</b>	<b>324,486</b>	<b>1,007,014</b>	<b>900,802</b>	<b>1,248,096</b>	<b>1,742,974</b>	<b>1,794,502</b>	<b>1,957,080</b>	<b>1,547,236</b>	<b>1,515,016</b>	<b>1,712,945</b>
Common stock	58	58	58	58	58	58	58	58	58	58	59	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	110,717	108,863	109,951	111,051
Retained earnings	41,498	48,201	56,966	62,007	66,335	90,188	113,878	156,252	208,628	260,388	464,920	507,241	560,005	382,826
AOCL	(23,052)	(22,409)	(24,458)	(21,618)	(37,974)	(29,270)	(40,189)	(33,338)	(36,046)	(32,746)	(31,816)	(34,692)	(35,039)	(35,389)
FRHC shareholder equity	117,597	125,815	133,813	142,596	131,309	164,391	177,692	227,587	277,312	334,534	543,880	581,470	634,976	458,546
Non-controlling interest	-	-	306	(685)	(2,272)	(1,849)	(1,976)	(2,029)	(1,641)	(1,693)	(501)	(2,110)	(2,131)	(2,153)
<b>Total shareholder equity</b>	<b>117,597</b>	<b>125,815</b>	<b>134,119</b>	<b>141,911</b>	<b>129,037</b>	<b>162,542</b>	<b>175,716</b>	<b>225,558</b>	<b>275,671</b>	<b>332,841</b>	<b>543,379</b>	<b>579,360</b>	<b>632,844</b>	<b>456,394</b>
<b>Liabilities &amp; shareholder equity</b>	<b>350,911</b>	<b>429,101</b>	<b>425,641</b>	<b>523,241</b>	<b>453,523</b>	<b>1,169,556</b>	<b>1,076,518</b>	<b>1,473,654</b>	<b>2,018,645</b>	<b>2,127,343</b>	<b>2,500,459</b>	<b>2,126,595</b>	<b>2,147,861</b>	<b>2,169,339</b>
Balance Sheet Metrics:														
Total Debt/Equity	24%	24%	3%	28%	56%	42%	38%	30%	25%	17%	11%	10%	11%	16%
Net Cash* (Debt)	21,422	112,128	77,244	54,503	(9,088)	131,719	376,977	556,172	630,385	615,953	682,179	743,397	763,619	769,602
Net Cash (Debt) per Share	\$0.37	\$1.93	\$1.32	\$0.93	(\$0.16)	\$2.26	\$6.45	\$9.51	\$10.78				\$12.83	\$12.88
Return on Avg Equity (ROE)	6.1%	6.5%	6.4%	2.9%	1.0%	13.6%	13.8%	10.4%	15.4%				11.4%	14.5%

Sources: Company Data, Sidoti & Company, LLC estimates

\*Excluding restricted cash

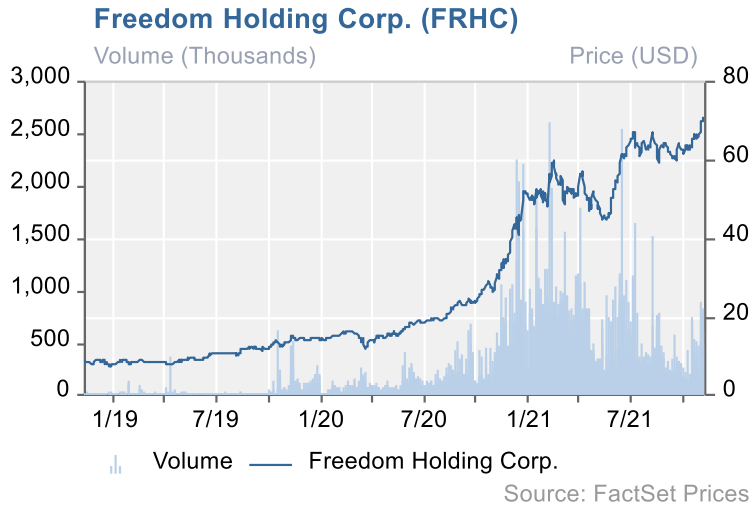
**Appendix**  
Required Disclosures

**Required Disclosures**

**Freedom Holding Corp. (FRHC-\$71.43) 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	
PT	10/8/21	64.4		76	



<b>Valuation</b>	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 its recently acquired PrimeEx unit. 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 unchanged 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.		
<b>Key Risks</b>	Political and market risk.	Currency risk.	FRCH is a controlled company.

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