Kaspi.kz

Kazakhstan's daily-life operating system with a discounted, high-cash-return option to reproduce the flywheel in Türkiye

Ticker / reference price	Equity / enterprise value	TTM EPS / P/E	Annualized cash yield
Nasdaq: KSPI / $86.48 per ADS	~$16.4bn / ~$15.4bn	$11.71 / 7.4x	~8.2% variable dividend

Reference price as of July 27, 2026; operating data through March 31, 2026 and transaction updates through July 2026. Dividend is annualized from recent KZT850-per-ADS quarterly recommendations and is not guaranteed. [1][2][7]

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5-YEAR TSR REFERENCE CASE: 22.3% = 8.2% + 9.0% + 5.1%			
22.3%	8.2%	9.0%	5.1%
Annualized TSR	Dividend yield	USD EPS growth	Multiple reversion

Mechanical bridge: $86.48 / $11.71 TTM EPS = 7.4x, reverting over five years to a 9.5x normalized listing-history mean. The return is unusually high because country, currency, governance and Türkiye risks are unusually high. [1][6][7]

Thesis

Kaspi has turned payments, commerce and consumer finance into one daily habit for consumers and merchants in Kazakhstan. The super-app flywheel produces extraordinary engagement, profitability and cash returns, yet the ADS trades at 7.4x earnings with an annualized 8% dividend. The market fears Kazakhstan, the tenge and a costly Türkiye expansion. That fear creates the opportunity: Hepsiburada already supplies 11.8m consumers but only 6.7 annual purchases per consumer versus 24.8 in Kaspi's Kazakhstan marketplace. Kaspi now controls 86.74% and owns a licensed Turkish bank. If management adds payments and fintech around commerce, the frequency gap can close without requiring Kazakhstan-level economics. The base case gives Türkiye only gradual credit; the position remains capped because regulatory, currency, deposit and cross-border risks are inseparable from the upside. [1][2][3]

Four-question scorecard

Question	Score	Why it is not higher
Business quality	4.5 / 5.0	Exceptional engagement, network effects and profitability; credit, deposit and country risk cap perfection
Price	4.5 / 5.0	7.4x TTM earnings plus an ~8% variable dividend prices substantial permanent impairment
People / allocation	4.5 / 5.0	Lomtadze built a world-class product and recently increased alignment; Türkiye is the largest allocation test
Hidden nugget	4.5 / 5.0	Hepsiburada's engagement gap plus a Turkish bank creates a platform-replication option, not just an e-commerce deal

2 Business and Industry

One identity and interface connects shopping, payment and credit, making every added service more useful than it would be alone

Business model in plain English

Consumers use Kaspi to pay bills, transfer money, shop, finance purchases and manage accounts; merchants use Kaspi Pay to accept payment, reach buyers and finance working capital. Each transaction generates data that improves convenience, conversion, fraud control and underwriting. More consumers attract merchants, more merchants improve selection, and payments plus finance reduce checkout friction. In Türkiye, Hepsiburada supplies commerce and logistics while Rabobank A.Ş. supplies a regulated banking license. [2][3]

Platform	1Q 2026 scale	Economics	Moat evidence
Payments	KZT11.4tn TPV; +14%	Fees, merchant acquiring and deposits	14.7m active consumers / daily habit
Marketplace	KZT2.16tn GMV; +19%	Take rate, ads and fulfillment	103.6m purchases / +25%
Fintech	KZT7.2tn avg. net loans; +23%	Net interest and finance fees	Instant data-driven underwriting
Türkiye	~50% of consolidated e-commerce GMV	Commerce first; payments / finance option	11.8m consumers, frequency runway

Company-reported 1Q26 metrics; growth is constant-currency / pro forma where stated. [1][2]

Why business quality is 4.5 / 5.0

- Average monthly transactions per active Kazakhstan consumer were approximately 77 at year-end 2025—evidence that Kaspi is infrastructure for daily life, not a lightly used finance app. [3]
- The two-sided network lowers acquisition cost and improves data with scale; commerce, payments and lending reinforce rather than merely sit beside one another.
- Kazakhstan profitability is exceptional, but consolidated 1Q net income fell 1% as Türkiye investment diluted growth. The quality score reflects the mature engine, not assumed Turkish parity.
- Fintech earns high returns because the data loop improves underwriting, but the same balance sheet introduces credit, deposit-run and regulatory tail risks.
- Country concentration, founder influence, foreign-exchange translation and offshore ADS ownership justify a permanent discount to a U.S. payments peer.

Industry structure

Force	Kazakhstan	Türkiye implication
Consumer habit	Kaspi is deeply embedded	Hepsiburada engagement is much lower
Merchant network	Dense offline / online acceptance	Must recruit and integrate local merchants
Competition	Leadership across three platforms	Trendyol and established banks are formidable
Regulation	Banking and digital scrutiny	New regulator, inflation and licensing complexity
CUSTOMER VALUE PROPOSITION One trusted app removes friction from everyday life; merchants receive demand, payment and funding in the same workflow.		

3 Financials and Business Quality

Kazakhstan funds the option; Türkiye must prove that incremental engagement can arrive without consuming the cash engine

Metric	FY2024	FY2025	1Q 2026	Underwriting read
Revenue	KZT2.53tn	KZT4.05tn	KZT1.08tn	2025 includes Hepsiburada; Q1 +31%
Net income	KZT1.06tn	KZT1.07tn	KZT252bn	Q1 -1% as Türkiye dilutes
Adjusted EBITDA	n/a	n/a	KZT368bn	+9%; Türkiye near breakeven target
Marketplace GMV	n/a	n/a	KZT2.16tn	+19%; e-commerce +41%
Fintech cost of risk	~1%	~1%	0.7%	Benign now; normalize upward
NPL ratio	n/a	n/a	6.6%	Watch seasoning and Türkiye mix

IFRS and company-adjusted measures. Dollar figures vary with the tenge; the TSR bridge is therefore underwritten in USD. [1][4]

Five-year owner-earnings bridge

Driver	Base assumption	Why plausible	Failure test
Kazakhstan	Low-teens local growth	Engagement, merchants and product cross-sell	Mature-market growth <8%
Türkiye	Gradual EBITDA contribution	Frequency gap and payments / bank option	Cash burn without retention
Credit	1.5%-2.0% normalized CoR	Current 0.7% is not extrapolated	NPL and funding stress together
USD EPS	9% CAGR	Local growth less FX / integration drag	Tenge devaluation dominates
Dividend	6%-8% normalized yield	High capital generation	Regulator / M&A retains cash

Balance sheet, ratings, maturities and covenants

Funding / capital. Kaspi Bank is primarily deposit-funded: retail term deposits were 83% and current accounts 12% of customer accounts at year-end 2025. Q1 2026 Basel III Tier 1 capital was 20.1%; the local Tier 1 ratio was 13.5% versus an approximately 10.5% minimum including buffers. **Ratings.** Kaspi.kz and Kaspi Bank are Baa3 / Stable at Moody's and BBB- / Stable at Fitch. Kaspi Bank declined a third S&P rating as unnecessary. **Maturities.** HoldCo notes include $650m at 6.25% due March 2030 and $600m at 5.90% due 2031. **Covenants.** Senior notes contain customary reporting, merger, business-continuity and default protections rather than a public maintenance leverage test. Regulatory capital and liquidity ratios are the binding operating constraints; the 20-F disclosed no defaults. [4][5]

4 Valuation, Hidden Nugget and LBO

The current multiple capitalizes Kazakhstan risk and gives little credit to a disciplined Turkish replication

Available listing-history P/E context

2020-2026 public P/E history	Low	Average	High	Today
Annual / current observations	~7.0x	~14.8x	29.7x	7.4x
Normalized 2022-2026 lens	~7.0x	~9.5x	14.6x	7.4x

Kaspi has no ten-year public P/E history: London trading began in 2020 and Nasdaq trading in 2024. The TSR bridge uses the more conservative post-2021 mean to avoid capitalizing the scarce-listing premium. [6]

Five-year valuation cases

Case	2031 USD EPS	Exit P/E	Cumulative dividends	2031 value	5-year TSR
Bear	$7.00	10x	~$15	$85	~(0.3)%
Base	$18.01	9.5x	~$35	$206	~18.9%
Bull	$22.54	12x	~$40	$310	~29.1%

The bear case uses the requested 10x exit multiple, but a severe USD EPS decline and dividend cut create the downside because 10x is above today's P/E. Base/bull USD EPS CAGR is 9%/14%. Dividends are not reinvested. Analyst estimates.

Hidden nugget — use the Türkiye commerce base to rebuild the super-app loop

Hepsiburada is not valuable merely because Türkiye has 85m people. The nugget is that Kaspi has bought the hardest first layer—a recognized commerce product, logistics network, 11.8m consumers and local merchants—while engagement is far below Kaspi's mature system. Annual purchases per consumer were 6.7 at Hepsiburada versus 24.8 in Kazakhstan. With 86.74% ownership and the completed Rabobank A.Ş. acquisition, Kaspi can add payment, wallet, merchant and financing products around existing shopping behavior. That is analogous to turning a single-purpose dating app into a high-frequency relationship: better matching and more interactions deepen the network. The base case assumes only partial progress; Turkish inflation, competition and regulation make replication uncertain. [3]

Replication step	Starting asset	Proof required
Increase commerce frequency	11.8m consumers / 6.7 purchases	Cohort frequency and retention rise
Add payments	Checkout, merchants and logistics	TPV, merchant acceptance and take rate
Add fintech	Licensed Turkish bank	Prime credit economics without subsidy
Connect the loop	Consumer and merchant apps	CAC falls while contribution margin rises

Illustrative take-private / LBO test

Stage	Assumption	Financing constraint	Sponsor read
Entry	20% premium; ~ $19.7bn equity	Bank / VIE / country approvals	Large equity-funded deal
Hold	9% USD EPS growth; dividends retained	HoldCo debt structurally subordinated	Little conventional leverage
Exit	10x earnings	No dividend recap assumed	Below buyout hurdle without huge rollover

LBO CONCLUSION A conventional sponsor LBO is infeasible. Regulatory control of the bank, deposit funding, country risk and structural subordination make the public P/E—not leverage capacity—the useful downside discipline.

5 CEO and Capital Allocation

Mikheil Lomtadze has founder-level product judgment and private-equity discipline; Türkiye will show whether he can replicate without overreaching

Mikheil Lomtadze — background and fit

Period	Role	Why it matters
1995-2000	Founded GCG Audit in Georgia	Built an operating business later absorbed into Ernst & Young's network
2002	Harvard Business School MBA	Formal strategy and capital-allocation training
Pre-2007	Partner, Baring Vostok Capital Partners	Investor discipline and regional pattern recognition
2007-present	Kaspi co-founder and CEO	Designed and compounded the integrated super-app model
2026	Increased ADS ownership with Tencent / institutions	Incremental alignment and external strategic validation

Lomtadze has been repeatedly recognized by Kazakhstan business leaders and serves on Harvard Business School's MENA Advisory Board. [9]

Capital-allocation audit

Action	Strategic logic	Judgment / question
Hepsiburada control	Acquire Türkiye commerce and logistics base	High strategic fit; integration and price still need returns
Rabobank A.Ş.	Obtain licensed bank for payments / fintech	Small platform-enabling acquisition; capital needs unknown
Dividends	Recent KZT850 quarterly recommendations	Excellent cash return; variable and regulator-dependent
$600m 2031 notes	Fund flexibility / Türkiye expansion	Long duration, but adds FX and HoldCo claims
Product investment	Kasper AI and daily-use services	Consistent with engagement moat
Buybacks / ownership	Founder / Tencent secondary purchase	Alignment improved; no cash entered company

Capital-allocation judgment

- The strategic sequence is coherent: commerce first, then local banking capability, then payments and fintech products. It uses proven architecture rather than unrelated diversification.
- Türkiye must be funded by milestones. Management should publish consumer cohorts, frequency, merchant density, contribution margin and capital committed before scaling credit.
- The dividend signals surplus capital and owner orientation, but it is not bond-like; regulators, currency and acquisition needs can change it quickly.
- Founder alignment is meaningful, yet key-person and governance risk rise when strategy, product vision and control are concentrated in the same individual.

PEOPLE / ALLOCATION — 4.5 / 5.0 Lomtadze has one of the strongest founder-operator records in public fintech. The deduction is proportional to the ambition and opacity of the Turkish expansion.

6 Risks and Disconfirming Evidence

The upside is large because the ownership claim, currencies, countries and expansion path can all fail in ways a headline P/E does not show

Risk	Why it matters	Early warning / thesis killer	Response
Kazakhstan politics / regulation	Core cash engine is concentrated	Tax, license or dividend restrictions	Cap position / exit on ownership impairment
Tenge / USD	ADS returns are in dollars	Devaluation overwhelms local earnings	Lower USD growth / demand yield
Türkiye execution	Largest new use of capital	Frequency stalls; EBITDA losses persist	Value Türkiye at zero
Türkiye competition	Trendyol and banks are strong	CAC rises without merchant / consumer retention	Stop funding expansion
Credit / deposits	Fintech relies on trust and funding	NPLs and deposit outflows rise together	Cut dividend / reduce size
Founder / governance	Control and product vision concentrated	Related-party or succession concern	Permanent governance discount
Sanctions / geopolitics	Cross-border capital access matters	ADS, payment or banking restrictions	Immediate structure review
Dividend variability	Yield is material to TSR	Capital retained without high-return use	Remove yield from case
Adjusted / FX reporting	Constant currency can hide USD loss	Local growth without ADS owner earnings	Underwrite USD EPS and cash

Pre-mortem: it is 2031 and the investment failed

Türkiye required more subsidy than expected, but engagement remained commerce-only and the bank never achieved attractive payments or credit economics. A tenge devaluation reduced USD earnings while Kazakhstan imposed higher taxes and tighter capital rules. Credit losses and a rumor-driven deposit outflow forced Kaspi to retain capital and cut the dividend. Founder control limited strategic retreat; USD EPS fell, and even a 10x exit multiple could not rescue the return.

Disconfirming evidence hierarchy

A weak quarter in Turkish EBITDA is not decisive if cohort frequency and contribution margins improve. Tenge volatility is expected; a structural inability to convert local earnings to ADS cash is not. The strongest evidence is persistent Türkiye cash burn without engagement gains, Kazakhstan regulatory impairment, deposit stress with rising NPLs, or diluted owner earnings falling despite local-currency growth.

SINGLE MOST IMPORTANT UNKNOWN Can Kaspi increase Turkish consumer frequency and merchant density before competition, inflation and credit cost consume the economics?

TWO-QUARTER DASHBOARD Kazakhstan MAU / transactions | Hepsiburada frequency / retention | Türkiye EBITDA | merchant density | cost of risk / NPL | deposits | Tier 1 | USD EPS | dividend

7 Portfolio Decision and Research Plan

The holding period is always 5-8 years; keep the asymmetry while requiring hard evidence before Türkiye earns a full position

Conviction	Score	Reason
Analytical	4.5 / 5	Kazakhstan economics and valuation are compelling; Türkiye unit economics remain undisclosed
Portfolio	3.0 / 5	High cash return and growth, but country, currency and bank tail risks dominate sizing
Temporal	4.5 / 5	Five years is enough to test replication and absorb normal FX volatility

Position-size recommendation

Maintain a 3.0% target position near $86, with a 5.0% maximum only after three quarters of Türkiye evidence, stable regulatory capital and no deterioration in Kazakhstan regulation or deposit behavior. Add below $75 or below 7x normalized USD earnings with the dividend and core engagement intact. The valuation is exceptional; the position cannot be sized as if the risks were ordinary.

Action	Price / evidence rule	Rationale
Maintain	$75-$105	Current P/E and yield compensate for substantial risk
Add	<$75 or <7x normalized USD EPS	Increase only with capital / dividend intact
Full size	3 quarters of Türkiye frequency, margin and bank progress	Turns option into evidenced replication
Trim	>12x earnings while Türkiye remains breakeven	Option becomes priced before proof
Exit	Ownership / dividend restriction; deposit stress; failed Türkiye milestones	Cash claim or replication thesis breaks

Return hurdle context

Cash / 3-month T-bill	U.S. 10-year Treasury	S&P 500 5-year TSR	S&P 500 10-year TSR	S&P 500 15-year TSR
~4.2%	~4.7%	14.1%	15.7%	14.3%

Cash and Treasury yields are mid-August 2026 snapshots; S&P 500 total returns are annualized through June 2026 with dividends reinvested. Historical equity returns are context, not a forward hurdle. [8][9]

Next research steps

- Build Turkish cohorts for purchases, retention, merchants, payments, CAC and contribution margin.
- Reconcile local-currency earnings to USD owner cash after FX, regulatory capital and minority interests.
- Stress deposits, NPLs and Tier 1 under devaluation, rumor-driven withdrawals and higher credit loss.
- Map founder control, related-party protections, ADS rights and cash-transfer pathways with local counsel.

FINAL DECISION MAINTAIN A 3% POSITION; MAXIMUM 5% ONLY ON TÜRKİYE PROOF. Business, people, price and hidden nugget are all 4.5/5.0, but country and financial-system risks require a hard cap.

Source notes

[1] Kaspi 1Q 2026 financial information and results
[2] Kaspi platform operating metrics
[3] Kaspi 2026 news — Rabobank, Tencent and debt
[4] Kaspi 2025 Form 20-F
[5] Kaspi investment-grade ratings
[6] Kaspi available historical P/E
[7] Kaspi market quote
[8] S&P 500 total-return history
[9] U.S. Treasury daily yield-curve rates
[10] Kaspi management — Mikheil Lomtadze biography

Framework source: Chapter 4 and Appendix E of Investing Book July 34(1). Facts are drawn primarily from company and SEC materials. Dividend, FX translation, valuation history, scenarios, LBO returns and sizing are analyst estimates; no ten-year P/E series exists because public trading began in 2020.

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