AVESTA INVESTMENT GROUP

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Uzbek Metallurgical Plant

Electric-arc steel and rolled products · Bekabad · TSE: UZMK / UZMKP

CLOSE, 18.09.2026	MARKET VALUE	PRICE / BOOK	PRICE / EARNINGS	NET DEBT / EBITDA
UZS 6,899.00	UZS 4.1 trn	0.73×	7.68×	6.00×
+130.0% year to date	Ordinary shares	Book value at 1H2026	Trailing twelve months	Twelve months to 1H2026

SUMMARY

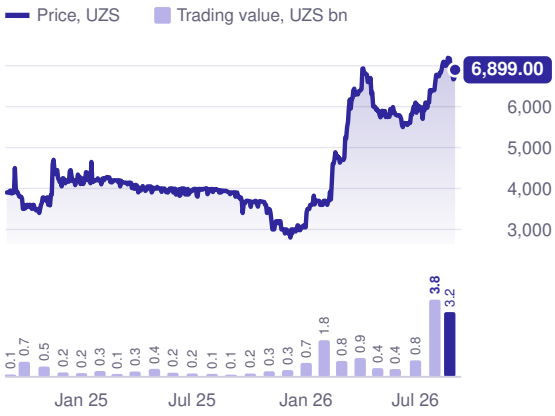
Uzbek Metallurgical Plant is Uzbekistan's largest state-owned steelmaker and the only company allowed to buy ferrous scrap, the main input of its electric-arc furnaces. It makes rebar, sections and grinding balls; of the domestic rolled-steel market the plant holds 30%, other Uzbek producers 30% and imports 40%.

Revenue for the first half of 2026 rose 6.6% to UZS 3,205.9 bn, after annual declines in 2023–2025. Operating profit fell 8.9% to UZS 373.5 bn as other operating income dropped to UZS 5.3 bn from UZS 221.3 bn. Net profit rose to UZS 315.9 bn from UZS 21.1 bn, mainly on a UZS 177.7 bn exchange gain after a UZS 321.9 bn loss; interest expense rose 99.3%.

The EUR 785 mn casting and rolling complex, with capacity for 1.0 mt of hot-rolled coil a year, started production at the end of 2025 and made 48 thousand tonnes in the first half of 2026; it was formally put into operation on 13 July 2026. Net debt is UZS 5,199.7 bn, 6.00 times EBITDA; leverage covenants were breached in 2025 and 1H2026 and lenders granted waivers. On 16 July 2026 Fitch cut the rating to B from B+, outlook positive.

The ordinary shares closed at UZS 6,899.00 on 18 September 2026, 130.0% above the last close of 2025, a market value of UZS 4.10 trn, or 0.73 times book value and 7.68 times earnings. Resolution PP-145 set 1 March 2026 to start selling the state's 91% stake by international tender; that date has passed. A sale would hand control, and with it dividend and investment policy, to a private owner; until then the state stays in control.

PRICE AND TRADING VALUE · TWO YEARS



Two-year range	UZS 2,800.00 – 7,193.00
Change, one year	+76.9%
Book value per share	UZS 9,463.38
Earnings per share, LTM	UZS 898.43

FINANCIALS · NAS

UZS BN	FY2023	FY2024	FY2025	1H2025	1H2026
Revenue	8 296.5	7 441.1	6 095.2	3 008.7	3 205.9
Operating profit	668.7	737.9	797.7	410.0	373.5
Interest expense	190.2	354.3	375.3	80.2	159.9
Net foreign-exchange result	39.8	–9.5	–128.5	–321.9	177.7
Net profit	513.7	348.1	284.1	21.1	315.9
Net debt	4 445.5	4 607.7	5 815.7	5 473.9	5 199.7

MARGINS AND RETURNS

PER CENT	FY2023	FY2024	FY2025	1H2025	1H2026
Revenue growth, y/y	–1.9%	–10.3%	–18.1%	–23.1%	6.6%
Gross margin, period	17.6%	18.7%	17.7%	17.2%	18.2%
Operating margin, period	8.1%	9.9%	13.1%	13.6%	11.7%
Net margin, period	6.2%	4.7%	4.7%	0.7%	9.9%
Return on equity, LTM	13.2%	6.1%	4.8%	1.8%	10.0%
Net debt / equity	78.5%	77.8%	96.0%	94.4%	81.6%

ROLLED STEEL OUTPUT, 2024	CONSTRUCTION IN PROGRESS	FITCH RATING	HOT-ROLLED COIL, 1H2026
780.7 kt	62.1%	B	48 kt
71.0% of capacity	of total assets, 1H2026	outlook positive · 16 July 2026	new complex, 1.0 mt a year

LISTED STEELMAKERS

COMPANY	TICKER	EV / EBITDA	P / E	P / B	EBITDA MARGIN	NET DEBT / EBITDA
Uzbek Metallurgical Plant	**TSE: UZMK**	**11.44×**	**7.68×**	**0.73×**	**13.77%**	**6.00×**
ArcelorMittal	NYSE: MT	12.15×	30.12×	0.96×	8.67%	1.76×
Erdemir	IST: EREGL	12.67×	31.74×	0.78×	9.80%	1.69×
Kardemir	IST: KRDMD	6.42×	10.83×	0.46×	12.17%	0.04×
Tata Steel	NSE: TATASTEEL	8.85×	20.90×	2.22×	14.18%	2.42×
JSW Steel	NSE: JSWSTEEL	10.58×	12.49×	2.93×	18.27%	1.49×
Steel Authority of India	NSE: SAIL	7.54×	17.13×	1.21×	12.13%	2.31×
Weighted average, six peers		**10.45×**	**19.97×**	**1.33×**	**11.71%**	**1.89×**

Closes of 18 September 2026; Erdemir, Kardemir and JSW Steel of 17 September 2026. Peers: steelmakers listed in Turkey and India, the nearest emerging markets with liquid steel stocks, and ArcelorMittal as the global benchmark; trailing twelve months, S&P Global Market Intelligence data, net debt includes leases. Uzbek Metallurgical Plant: NAS, twelve months to 1H2026; EBITDA is operating profit plus depreciation and amortisation; EV includes preferred shares at market; net debt excludes UZS 773.4 bn owed to shareholders (6.89× EBITDA if included). Weighted average: sum of numerators over sum of denominators across the peers shown, in US dollars at Central Bank of Uzbekistan rates of 18 September 2026; n/a and n/m excluded.

SHAREHOLDERS AT 24 JUNE 2026

Ministry of Economy and Finance	**53.53%**
Reconstruction Fund (UFRD)	**39.01%**
Legal entities and individuals (13,268 holders)	**7.46%**

As published by the company: 13,270 holders in total.

DIVIDENDS

PROFIT YEAR	MEETING	ORD., UZS	PREF., UZS	CASH PAID, UZS BN	RETAINED, UZS BN
2025	30.06.2026	378.17	300.00	20.2	263.8
2024	30.06.2025	0.00	300.00	2.9	345.1
2023	29.06.2024	0.00	300.00	3.0	510.7

Dividends per share. Retained: reserve fund plus sums capitalised for 2025, directed to loan repayment for 2024 and retained for 2023. Dividends for 2022 took 61% of profit: UZS 528.62 interim and UZS 683.35 final per ordinary share. The preferred dividend is 6% of the UZS 5,000 par.

NEWS AND PLANS

DIVIDEND

Annual meeting, 30 June 2026

Profit for 2025 of UZS 284.1 bn distributed: UZS 378.17 per ordinary and UZS 300 per preferred share, UZS 20.2 bn paid in cash, UZS 14.2 bn to the reserve fund and UZS 249.6 bn capitalised under resolution PP-56.

PRIVATISATION

Resolution PP-145, as amended 17 April 2026

The resolution provided for offering the state stake (91%) at an international open tender after debt restructuring and a reduction of non-core assets. The deadline to start the tender, 1 March 2026, has passed.

RATING

Fitch, 16 July 2026

Fitch downgraded the company to B from B+ with a positive outlook, citing a slow ramp-up of the new complex. It puts gross leverage at 7.0 times EBITDA for 2025, below 4 times only in 2028, and notes covenant waivers from international lenders.

PLAN

Fitch, 16 July 2026

A 600 kt direct reduced iron plant with the Fund for Reconstruction and Development is at feasibility stage: cost USD 180 mn, the company's share 25%, construction possibly from 2027.

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