AVESTA INVESTMENT GROUP

Uzbekistan Weekly

BiWeekly Review
Dec 25 – Jan 6, 2024

OVERVIEW OF THE TASHKENT STOCK EXCHANGE

Company	Ticker	Sectors	Trading volume (UZS)	Number of transactions	Closing price (UZS)	Weekly %	Share in total turnover
Janubsanoatmontaj	JASM	Construction	6,484,011,378	1	17,000	0.00%	38.53%
Elektroqishloqqurilish	EQQU	Consutruction materials	2,628,697,100	8	1,649,000	32.54%	15.62%
Octobank	OCBK	Bank	1,649,672,139	40	7,000	0.01%	9.80%
Uzbektelecom	UZTL	Telecommunications	1,617,437,823	2,740	6,000	-19.89%	9.61%
Temir Beton	TBMZ	Consutruction materials	1,028,034,560	1	5,680	9.23%	6.11%
Inson Insurance	INSN	Insurance	594,400,000	5	100	0.00%	3.53%
Uzmetkombinat	UZMK	Metallurgy	369,810,112	6,550	6,100	-0.81%	2.20%
Biznes Finans	BFMT3V2	Bank	314,474,433	8	100,517.81	-1.24%	1.87%
Uzbek Commodity Exchange	URTS	Service	287,969,042	17,600	17,600	3.53%	1.71%
Hamkorbank	HMKB	Bank	255,592,452	1,335	62.49	13.62%	1.52%
	Others		1,597,388,195	23,925			9.49%
	Total		**16,827,487,233**	**52,213**			**100.00%**

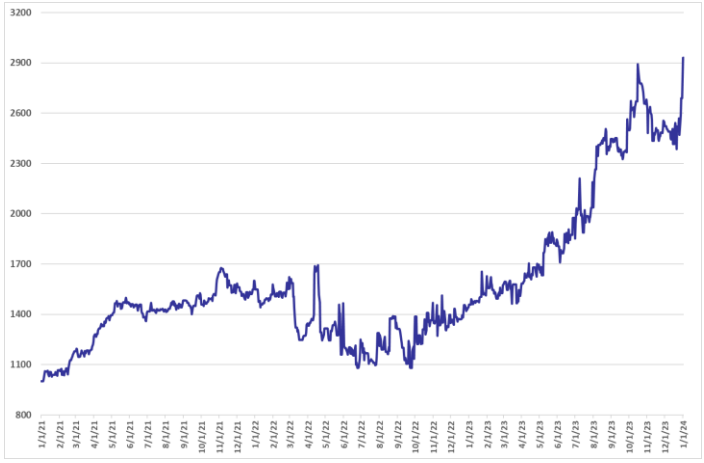
During the given trading period, trading on the Tashkent Stock Exchange reached 16.8bln UZS, which is 58.7% lower compared to the previous two weeks (excluding QQBK transaction). The total number of traded securities was 93, nine less than in the previous period.

The majority of the trading volume was contributed by JASM, accounting for 38.6% of the total with one transaction at 54,866.02 UZS per share. EQQU contributed 15.7% to the total volume, and its closing price increased by 32.5%. OCBK accounted for 9.8% of the turnover.

Recently listed UZTL, retained its position in the top list, however, its price by the end of the given period closed at the IPO price of 6,000 UZS, representing a decline of almost 20%, while HMKB's price rose by 13.6% during the period from 55 UZS to 62.49 UZS.

AVEX increased by 11.4% during these two weeks.

AVEX Index



1/6/2024		Daily %	3M %	Yearly %
AWACRI	21.63%	1.37%	3.63%	1.55%
AVEX	2,809.25	-0.33%	6.88%	90.05%
USD/UZS	12,355.2	0.11%	1.29%	9.45%
EUR/UZS	13,483.2	-0.39%	5.19%	12.43%
RUB/UZS	135.6	0.20%	10.93%	-14.25%

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UzSAMA entered into an active privatization process of multiple enterprises. On December 28th four flour-milling plants were privatized. 51% share of Galla-Alteg JSC was sold for 82blnUZS. 51.84% share in Buxorodonmahsulotlari JSC was sold for 59bln UZS. 51.8% share of Dunyo-M JSC was sold for 82.2bln UZS and 94.2% of Xovos Don Mahsulotlari JSC was sold for 40bln UZS. P/E and P/B multiples as well as other details are presented in the table below.

	G'alla-Alteg	Dunyo-M	Xovos don mahsulot	Buxorodonmahsulotlari
State share	51.00%	51.80%	94.20%	51.84%
Privatization price, UZS	82,000,000,000	82,200,000,000	40,000,000,000	59,000,000,000
Price per share, UZS	62,819.80	10,243.75	17,871.73	654,376.21
Last traded price, UZS	3,050	2,000	500	n/a
P/E 9M2023	(32.73)	42.08	224.73	423.38
P/B 9M2023	2.53	1.72	4.74	2.33
P/E 2022	5.73	7.49	134.35	6.33

Additionally, a 51.48% stake in Uzbekiston Shampani JSC (Uzbekistan Champagne) was sold for 72bln UZS to Euro Pack LLC, a glass and plastic bottle producer on January 5th. According to the latest available reporting (1Q2023), the company was valued at 8.8xBV or 103,412 UZS per share. The latest traded price in December 2017 was 22,000 UZS per share. The investor is obliged to invest $18.5mln into modernization, start of cognac spirit alcohol and oak barrels production, launching a restaurant and wine tourism center, as well as a winery in the Parkent district of Tashkent region.

UzSAMA agreed to sell 100% in two companies, one in "Sardoba temir yol agrosanoat majmuasi" LLC (greenhouses complex with 3.6he of land) for 83.7bln UZS in installment to Mukumov Shavkat Komiljonovich and another in "Meva sharbat ilmiy eksperimental vinochilik" LLC (old wine and alcohol production facility with 6he of land) for 40.45bln UZS in installment to Central Terminal LLC. Also, it sold 87.47% stake in leading electric grid design and project company UzEnergoEngineering JSC to UzbekEnergoTa'mir JSC for 44bln UZS.

Weekly News:

ECONOMICS

- Inflation in 2023 reached 8.8%;
- Banking NPL in November reached 3.8%, including 4.2% for state-owned banks and 2.9% for private;
- ACWA Power to receive a $140mln loan from the EBRD for the construction of a 200 MW photovoltaic power plant and a 500 MWh energy storage system in the Tashkent region;
- Exports revenue from dried fruits reached $43mln in 8M2023, a 50% increase y-o-y;
- Gas exports reached $509.4mln in 11M2023, which is half the amount exported in 11M2022;
- Coal production in 11M2023 reached 5,731.4k tons, a 19.1% y-o-y increase. In November, 614.3k tons of coal were produced;
- EBRD to provide a $34mln loan to Volatila's SPV (Sarimay Solar FE LLC) for the construction of a 100MW solar photovoltaic power plant in Khorezm region, with a total project cost of $84mln;
- President approved the state budget for 2024 with a GDP at $105bln and a growth rate of 5.6-5.8%, an inflation rate of 8-10%, and a budget deficit of 4% of GDP;
- Car production in 11M2023 increased by 25.9% and reached 355k units;
- Vodka (-23.2%) and wine (-29.6%) production decreased in 11M2023, while beer (+20.4%) and tobacco (+12%) increased;

BUSINESS

- Sustainable Fitch assigned Uzbekhydroenergo JSC an ESG Entity Rating of '2';
- Chinese Anhui Coronet Tech to launch EV production for $30mln in Khorezm region;
- Uzbek, Kazakh, Azerbaijani and Georgian private insurance companies to establish an international reinsurance pool - Turan International;
- Uzbekistan to host Group-IB's first Digital Crime Resistance Center in Central Asia;
- Six renewable energy projects with a total capacity of 2.4GW were launched simultaneously together with Masdar, China Energy Engineering Corporation and China Gezhouba Group;
- LOT Polish Airlines to launch direct flights between Warsaw and Tashkent from March 2024;

Overview:

- PROGRESS ACTIVE LLC became the owner of a 21.88% stake in Kafil-Sugurta JSC;
- Uzkabel JSC rejected the offer to purchase a 25% stake in Hayat Power Cable Systems LLC JV for over 50bln UZS from UzSAMA. This deal was supposed to consolidate the 75% stake of the company in the hands of Uzkabel and its major shareholder;
- UzAutoSanoat-Leasing LLC was privatized by LUX BUILDING STAR LLC for 69.6bln UZS;
- Ipoteka bank JSCB (IPTB) registered the new shares issue for 844.63bln UZS (approx.$68.4mln), which is placed privately to OTP Bank;
- Usvenor LLC became the owner of 96.97% of INGO-Uzbekistan Insurance JSC and offered other minorities to purchase their shares at 1,390 UZS per share;
- Chirchik qishloq xo'jaligi texnikasi zavodi JSC (Chirchik agricultural equipment plant) became the owner of 70.1% stake in BA Chirchik Metall LLC. At the same time, another subsidiary of the company, Chirchik Steel Service LLC, which is located at the same address, was liquidated;
- Uz-Tong-Hong JSC attracted 30.85bln UZS loan from Asakabank JSCB.

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