2 Sep 2026
Diversified Industrials

Portfolio value rises; spotlight on UzTelecom

We maintain our Buy rating on UzNIF, with fair values of USD 41.40 per GDR and UZS 7.68 per share, implying 13% and 14% upside, respectively. The investment case is supported by upside to portfolio valuations, ongoing regulatory reforms, and progress on potential portfolio company IPOs.

Our updated assessment incorporates the latest financial results and market multiples. We value most portfolio companies using relative valuation, while UzTelecom is valued using both DCF and relative valuation based on our forecasts.

NAV up on strong macro and earlier RAB implementation: UzNIF's reported gross portfolio value increased by 9% to USD 2,669m. The main gains came from NEGU, Uzbektelecom, and Thermal Power Plants, supported by earlier regulatory reform assumptions, lower risk premiums, and stronger operating prospects. These gains were partly offset by declines at Railway Infrastructure, Regional Gas Supply, and Uzbekhydroenergo.

Progress on IPO preparations: Potential IPOs remain an important medium-term catalyst. Preparations are advancing across several portfolio companies, with five equity adviser selection processes underway and readiness assessments focusing on financial reporting, governance, operational preparedness, and equity positioning. However, no formal decisions have been made on the timing or sequencing of the offerings.

UzTelecom, the largest holding in UzNIF's portfolio: UzTelecom is UzNIF's largest portfolio company, accounting for 18.2% of reported NAV in 1H26. Given its material contribution to the fund's NAV and its inclusion among the six portfolio companies shortlisted for a potential international IPO, we provide a comprehensive review of the company and revisit our valuation based on a more detailed assessment of its operations and financial outlook. Our increasingly constructive investment case is underpinned by sustained earnings growth, expanding margins, strengthening free cash flow and a steadily improving leverage profile. We expect further EBITDA margin expansion, supported by operating leverage, stabilising mobile pricing, continued subscriber additions and robust demand for fixed broadband, mobile connectivity and enterprise services. We also believe that the peak capex is behind us, enabling stronger and more sustainable cash generation. Higher profitability, lower investment intensity and continued balance-sheet improvement should provide substantial headroom for increased dividends and faster deleveraging, while also strengthening UzTelecom's readiness for a potential international IPO. Better-than-expected margin delivery, disciplined capital allocation and progress towards an international listing represent additional valuation catalysts. We raise our valuation of UzTelecom to USD1.9bn (USD1.68bn previously), implying a value of USD570m (USD504m previously) for UzNIF's 30% stake.

UzNIF (UZNF LI)

BUY

Fair Value (USD)	Previous Fair Value (USD)
41.40	38.00
Current Price (USD)	**Upside/(Downside)**
36.50	+13%

UzNIF (UZNF ZU)

BUY

Fair Value (UZS)	Previous Fair Value (UZS)
7.68	7.05
Current Price (UZS)	**Upside/(Downside)**
6.75	+14%

Market Data

Market cap, TSE (UZS bn)	34,116
Market cap, LSE (USD m)	2,851
3M ADTV (USD m)	1.93
Free float	35.5%
BBG Ticker (LSE)	UZNF LI
BBG Ticker (TSE)	UZNF ZU

Data as of 31 Aug 2026; Market capitalisation for each tranche is calculated using its respective trading price.

Shadab Ashfaq | Equity Analyst
+97128139395 | shadab.ashfaq@adcb.com

Govinder Kumar | Equity Analyst
+97128139408 | govinder.kumar@adcb.com

Syed Faizi | Corporate Access
+97128126468 | syed.faizi@adcb.com

ADCB Equity Research | research@adcb.com
adcb.com/equityresearch

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Valuation indicates further upside

We have updated our valuation to reflect the latest available market multiples and financial results. We assessed each portfolio company using a consistent relative valuation framework. Further details on our methodology are available in our initiation report (A Front Row Seat to Uzbekistan's Transformation, 13 July 2026).

For Uzbektelecom, we used our detailed financial model and applied both discounted cash flow and relative valuation methodologies based on our forecasts.

Our valuation indicates that several portfolio holdings are valued above their latest reported carrying values. At the fund level, we estimate a fair value of USD 41.40 per GDR, implying 13% upside from the latest closing price. For the Tashkent offering, we estimate a fair value of UZS 7.68 per share, implying 14% upside. We maintain our Buy rating.

Our valuation framework first derives UzNIF's gross portfolio value. We then adjust this amount for the latest reported cash balances and liabilities, based on the recent NAV disclosure (31 July 2026). To determine our fair value, we apply a 10% discount to our calculated NAV, implying a P/NAV multiple of 0.90x.

We reduce our discount to NAV from 15% to 10%, reflecting UzNIF's strong fundamental and governance profile. The company currently trades at a premium to NAV, supported by the profitability of 11 of its 13 portfolio companies. We expect the remaining two companies to become profitable as the implementation of the RAB framework supports higher tariffs, pointing to higher revenues, and earnings. Governance is also robust, with independent directors representing 56% of the board.

Nevertheless, listed holding companies typically trade at a discount to NAV, and we therefore continue to apply a long-term discount. However, given UzNIF's current premium valuation, strong portfolio fundamentals, and sound governance, we believe a narrower discount of 10% is more appropriate than our previous assumption of 15%. The GDR fair value has been rounded from USD 41.37 to USD 41.40 per GDR.

We believe this premium is supported by the prospect of upcoming IPOs across the portfolio. Proposed listings could improve price discovery, provide observable market valuations for selected holdings, and increase portfolio liquidity. Successful offerings could also generate cash that may be available for distribution to investors.

Table: Upside to current GDR/Share price

	Reported (as of 31 July 2026)[1]	ADCB estimates	Upside/(Downside)
NAV (USD m)	2,635	3,591	
Total shares (bn)	5,054	5,054	
NAV per share (UZS)[2]	6.26	8.53	
Share price (UZS)[4]	6.75	7.68	13.7%
P/NAV (Tashkent offering)	1.08	0.90	
GDRs[3]	78.1	78.1	
NAV per GDR (USD)	33.72	45.97	
GDR price (USD)[4]	36.50	41.40[5]	13.4%
P/NAV (International offering)	1.08	0.90	

Source: Company filings, ADCB estimates
Note: 1. Figures as at 31 July 2026. Portfolio holding values are based on independent valuation reports as at 30 June 2026; 2. FX 1 USD = 12006 UZS; 3. One GDR represents 64,700 shares; 4. As of 28 Aug 2026; 5. GDR fair value has been rounded from USD 41.37 to USD 41.40 per GDR.

Risks to our valuation

- Delayed or weaker delivery reform
- Macro and geopolitical risks
- Liquidity risks
- Taxation policy risks
- Concentration risk

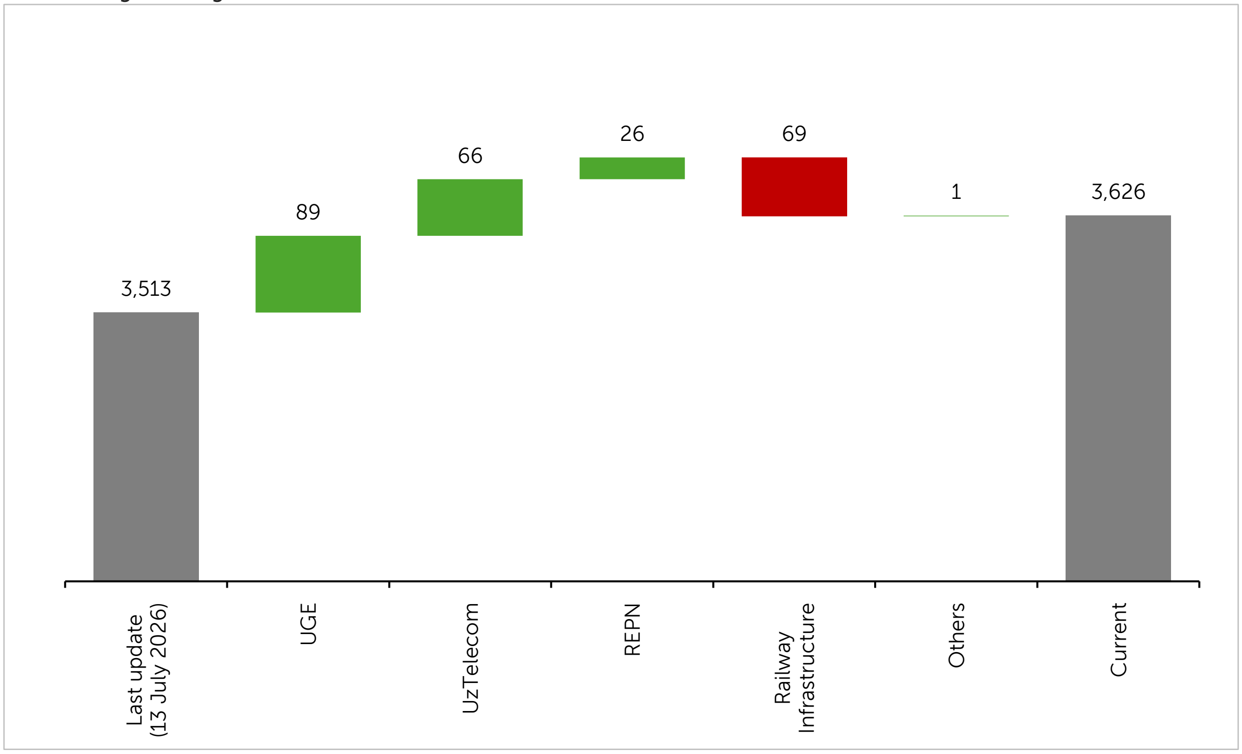
Table: UzNIF valuation framework

Portfolio company	Reported value[1] (USD m)	ADCB estimates (USD m)			Difference[4]	Valuation method/Implied multiple based on our estimated value	Investment read-through
		Lower bound	Higher bound	Mid-point			
Uzbekistan Airways	401	459	518	488	21.7%	Trailing EV/EBITDA; Implied EV/EBITDA: 7.9x	Passenger growth, planned fleet expansion, competitive unit economics, and low domestic aviation penetration support the valuation.
Uzbekhydroenergo	353	718	1,002	860	143.3%	Trailing EV/EBITDA; Implied EV/EBITDA: 12.4x	UGE's 70%+ EBITDA margin, discounted valuation versus hydropower peers, and planned capacity expansion from 2.3 GW to 5.6 GW.
Uzbektelecom	482	540	600	570	19.0%	DCF and EV/EBITDA based on our forward forecasts. FY26e EV/EBITDA: 7.0x	Strong revenue growth, rising subscriber base, easing pricing pressure, and potential margin convergence toward peer levels.
Temiryulinfrotuzilma[2] (Railway Infrastructure)	295	–	–	295	–	N/A	Upside from railway tariff reform and transparent regulated infrastructure charging framework.
SQB	357	329	457	393	10.1%	Trailing P/B; Implied P/B: 1.2x	Rerating potential supported by improving ROE, banking penetration growth, and a shift toward lower-cost retail deposits.
NEGU	282	293	427	360	27.9%	Trailing EV/Sales; Implied EV/Sales: 4.7x	RAB implementation should link tariffs to the regulated asset base and materially improve margins and earnings visibility.
Hududgazta'minot (Regional Gas Supply)	102	218	325	271	166.3%	Trailing EV/Sales; Implied EV/Sales: 0.9x	Potential upside from tariff reform under the RAB framework, improved cost recovery, and scope for margin normalisation from the current loss-making base.
Uzbek Commodity Exchange	89	106	201	153	72.4%	Trailing P/E methodology; Implied P/E: 14.0x	Scalable, transaction-based business model, strong profitability, and valuation discount to global exchange operators.
Thermal Power Plants	161	69	80	75	-53.72%	Trailing EV/EBITDA; Implied EV/EBITDA: 9.5x	Sector reform and RAB implementation provide upside, partly offset by high leverage, tariff uncertainty, and the shift toward renewables.
Regional Electric Networks[3]	76	–	–	76	–	–	Benefit from RAB implementation, which leads to higher tariffs, better margins, stronger earnings visibility, and potentially higher valuations over time.
Uzbekinvest	44	53	60	56	28.7%	Trailing P/B; Implied P/B: 1.5x	Discount to regional insurers and potential rerating as fundamentals and market positioning improve.
Toshshahartanshizmat [3] (TashBus)	22	–	–	22	–	–	–
Uzsuvta'minot[3]	6	–	–	6	–	–	–
Gross assets	**2,669**	**3,186**	**4,066**	**3,626**	**35.9%**		
Cash/(Liabilities)	**(35)**			**(35)**			
Net asset value	**2,635**			**3,591**	**36.4%**		

Source: Company presentation, ADCB estimates, Bloomberg
Note: 1. Figures as of 31 July 2026. Portfolio holding values are based on independent valuation reports as of 30 June 2026; 2. Railway Infrastructure: The company was established in 2024 following the unbundling of the national railway company. At this stage, insufficient data is available to conduct a detailed valuation review. No standalone valuation was applied at this stage due to the absence of financials. 3. For the remaining smaller holdings, we maintain reported NAV due to limited disclosure and scale; 4. The midpoint of our valuation range is calculated as the simple average of the lower and upper bound fair value estimates. The percentage difference versus the reported value is calculated using this midpoint estimate.

Our gross asset holding value increased from USD 3,513m to USD 3,626m, driven primarily by valuation gains in UGE, UzTelecom, and REPN, partly offset by a decline in the value of the railway company. For the railway company, we use the reported value, which decreased following the transfer of debt to Railway Infrastructure, reducing the company's equity value.

Chart: Change in our gross asset value*



Source: Company presentation, ADCB estimates; * It represents the total value of the holdings before any adjustments for cash and liabilities on UzNIF's balance sheet.

1H26: UzNIF outlines key portfolio developments

UzNIF provided a detailed presentation on its 1H26 results, including updates on NAV performance, portfolio valuation movements, key operational and financial developments across its major holdings, regulatory reforms, IPO preparations, governance initiatives, and dividend declarations. We summarise the key findings below.

Reported holding value has risen

UzNIF reported a gross portfolio value of USD 2,669m following a 9% valuation uplift from the independent semi-annual valuation exercise. The company reports NAV monthly, with portfolio holdings independently valued on a semi-annual basis. The latest portfolio valuations are dated 30 June 2026, and the resulting valuation uplift was reflected in the NAV reported for July 2026.

The main contributors were the National Electric Grid of Uzbekistan (NEGU), UzTelecom, and Thermal Power Plants. These gains were partly offset by valuation declines at Railway Infrastructure, Regional Gas Supply, and Uzbekhydroenergo.

The key drivers of the valuation uplift included:

- Assumed earlier implementation of the regulatory asset base (RAB) framework, effective 1 January 2027
- Lower country and company risk premiums
- Stronger operating performance at selected portfolio companies
- A more favourable macroeconomic and foreign exchange outlook
- Updated capital expenditure assumptions and the addition of generation assets and capacity

Table: Change in reported gross holding value

USD m	31-May-26 (Initiation report)	31-Jul-26	Change (in %)	Change (in USD m)
Uzbekistan Airways	405	401	-1%	(4)
Uzbekhydroenergo	392	353	-10%	(39)
Uzbektelecom	372	482	29%	110
Temiryulinfrotuzilma	364	295	-19%	(69)
SQB	329	357	8%	28
National Electric Grid of Uzbekistan	155	282	82%	127
Hududgazta'minot	152	102	-33%	(50)
Uzbek Commodity Exchange	86	89	3%	3
Thermal Power Plants	75	161	115%	86
Regional Electric Networks	50	76	51%	26
Uzbekinvest	35	44	25%	9
Toshshahartanshizmat	25	22	-11%	(3)
Uzsuvta'minot	7	6	-14%	(1)
Total (gross asset value)	2,447	2,669	9%	222

Source: Company presentation, ADCB estimates, Bloomberg

Table: Summary of largest movements

Company	Change (%, USD m)	Drivers behind the change
NEGU	+82%; +USD 127m	• The valuation increased due to earlier RAB implementation from January 2027, lower discount rates, and revised capital spending assumptions. • Higher production and operating costs partly offset these benefits.
Uzbektelecom	+29%; +USD 110m	• The valuation increased due to stronger mobile and fixed line revenue, higher EBITDA margins, and an improved macroeconomic outlook.
TPP	+115%; +USD 86m	• The valuation increased due to the inclusion of Takhiatash TPP and the planned commissioning of a new 300 MW unit at Mubarek from 2030. • The assumed earlier implementation of the RAB framework also supported the valuation uplift.
Temiryulinfrotuzilma	-19%; -USD 69m	• Declined mainly following the transfer of substantial debt to the company, reducing its equity value. • Lower costs and stronger cargo forecasts partly offset the decline. • The expected new tariff methodology was not included in the valuation.
Hududgazta'minot	-33%; -USD 50m	• The valuation declined after the regulated asset base shifted from depreciated replacement cost to IFRS net book value. • Earlier RAB implementation, lower discount rates, and planned investments to reduce gas losses partly offset the decline.
Uzbekhydroenergo	-10%; -USD 39m	• The valuation declined because the shift to IFRS net book value reduced the regulated asset base and forecast regulated returns.

Source: Company presentation

IPO preparations advance

UzNIF continues to prepare several portfolio companies for potential IPOs, although no formal decisions have been made on launch dates or sequencing. Five parallel equity adviser selection processes are underway, supported by prepared request-for-proposal documentation and market mapping of potential advisers and syndicate banks.

IPO readiness assessments have also begun for selected companies, focusing on financial reporting, governance, operational preparedness, and areas requiring further development in their investment cases. The final selling shareholder structure, including whether and to what extent UzNIF will participate in an offering, will be determined at a later stage.

Any IPO will remain subject to transaction readiness, adviser recommendations, valuation, market conditions, and the relevant corporate and government approvals.

Table: Companies targeted for IPOs

Company	Sector	Weight in NAV	UzNIF stake, %
UzTelecom	Telecommunications	18.3%	30%
Uzbekistan Airways	Transportation	15.2%	25%
SQB[1]	Banking	13.5%	40%
Uzbekhydroenergo	Energy Generation (Hydro)	13.4%	40%
O'zbekiston MET (National Electric Grid of Uzbekistan)	Utilities (Electricity)	10.7%	40%
Hududgazta'minot (Regional Gas Supply)	Utilities (Natural Gas)	3.9%	40%
Hududiy elektr tarmoqlari (Regional Electric Networks)	Utilities (Electricity)	2.9%	40%
Companies shown, including SQB[1], as % of Fund NAV		**77.9%**	

Source: Company presentation; Note: 1. Not included in the Presidential Decree (RP-145), subject to a separate privatisation schedule

UzTelecom: Company Deep Dive

Investment thesis

From network expansion to cash flow delivery

UzTelecom offers exposure to Uzbekistan's structural digitalisation through a nationwide, integrated telecommunications platform. In our view, the company's investment case rests on four key pillars:

- **A scarce, difficult-to-replicate infrastructure platform:** UzTelecom combines leadership in fixed connectivity with a scaled mobile business. Its extensive fibre backbone and last-mile network would be costly to replicate and can be monetised across broadband, mobile backhaul, enterprise connectivity, wholesale traffic, cloud services and government digitalisation.
- **Supportive structural growth and improving industry dynamics:** Demand is underpinned by Uzbekistan's young and growing population, rising data consumption and further room for fixed and mobile adoption. Meanwhile, competition appears to be shifting from aggressive pricing toward network quality and service monetisation.
- **Transition from network investment to cash-flow delivery:** UzTelecom is moving from a period of heavy infrastructure investment into one of operating leverage, improving margins and stronger free cash flow. This should enable the company to convert its infrastructure advantage into higher returns, sustained cash generation, deleveraging and higher dividends.
- **A potential international offering as an additional catalyst:** UzTelecom appears among UzNIF's most IPO-ready holdings, supported by its existing local listing, audited IFRS reporting, national scale, profitability and strengthened governance. A potential international offering could broaden price discovery, improve liquidity and establish a clearer market valuation for the company.

In this section, we revisit our valuation of UzTelecom and provide a detailed assessment of its operating performance, growth outlook, margins, capital expenditure, cash generation, leverage and dividend capacity. We raise our valuation of the company to USD1.90bn (USD1.68bn previously), implying a value of UzNIF's 30% stake of USD570m (USD504m previously).

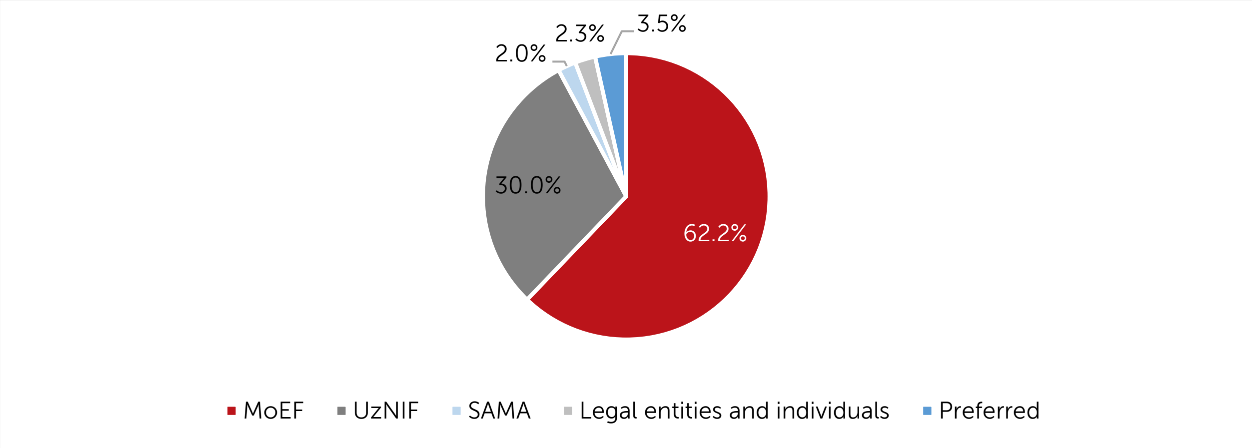
Ownership structure

State-controlled, with a limited free float

UzTelecom completed its domestic IPO in December 2023 and began trading on the Republican Stock Exchange "Toshkent" under the ticker UZTL on 20 December 2023. The company remains majority state-controlled. Following the transfer of an additional 5% stake to UzNIF in February 2026 and a subsequent capitalisation issue that tripled the share count, the Ministry of Economy and Finance holds 62.2% of total capital, UzNIF owns 30.0%, and the State Assets Management Agency holds 2.0%. Other investors own the remaining 5.8%, comprising 2.3% in ordinary shares and 3.5% in non-voting preferred shares. Excluding the State Assets Management Agency and preferred shareholders, the effective public float in ordinary shares is only around 2.3% of total capital, or 2.4% of ordinary voting shares. This limited float constrains liquidity and price discovery, making the local share price a less reliable benchmark for a potential international offering.

UzTelecom is one of the six UzNIF portfolio companies earmarked for potential IPOs under the government's privatisation programme. In June 2026, government officials indicated that an international offering could take place in 2027 (UzDaily, 30 June 2026). Meanwhile, according to its 1H26 investor presentation, UzNIF has begun IPO readiness assessments and adviser selection processes, although no formal decision has been made on sequencing, offer size or the selling shareholder structure. In our view, UzTelecom could be a front-runner in the programme. The company is already locally listed, profitable, and IFRS-audited; operates a nationally scaled business with a clear digital-infrastructure equity story; and now has a majority independent supervisory board. An international placement could broaden price discovery, improve liquidity, and establish a clearer market valuation for one of UzNIF's largest holdings.

UzTelecom shareholder structure



Source: Company reports; *MoEF = Ministry of Economy and Finance of the Republic of Uzbekistan, SAMA = The State Assets Management Agency of the Republic of Uzbekistan

Uzbekistan telecom sector overview

Fast-growing market, supported by demographics and digital adoption

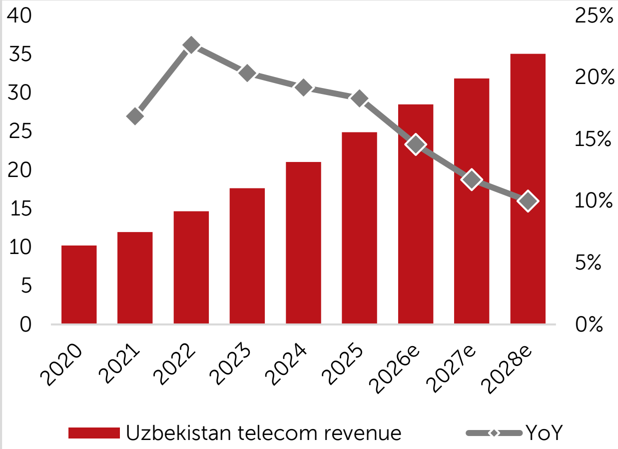
Uzbekistan's telecom market is among the fastest growing in Central Asia. Sector revenue increased by an estimated 18.3% in 2025 to UZS24.9tn (c.USD2bn), after similarly strong growth in 2024. The key drivers include rising data consumption, an expanding subscriber base and the expansion of digital services. Internet access accounted for roughly half of sector revenue, while mobile communications contributed c.30%, and cloud, VPN and other enterprise and government digital services are becoming increasingly important. Industry forecasts point to further growth as operators expand fibre networks, increase 4G capacity and move gradually toward commercial 5G deployment.

The sector benefits from a large and young addressable market. Uzbekistan has a population of c.38m, growing by around 2% annually, with a median age below 30 years. National penetration of mobile connections is 94% of the population, below that of neighbouring countries, where multiple-SIM ownership is more widespread. This combination of population growth, rising incomes and comparatively moderate mobile penetration should allow subscriber growth to continue, although the pace is likely to slow as the market matures.

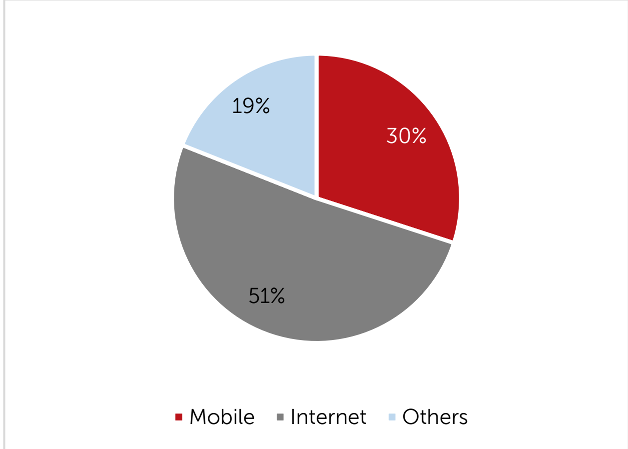
Data usage is becoming the main engine of growth. According to Uzbekistan's National Statistics Committee, the number of mobile internet subscriptions increased from 7.8m in 2015 to 33.3m by the end of 2025, implying a 10-year CAGR of 15.6%. This solid growth was supported by smartphone adoption and rising use of video, social media, online gaming, e-commerce and financial technology. Uzbekistan remains at an earlier stage of network development than more mature regional markets, leaving room for higher data consumption, better network quality and greater adoption of higher-value digital services.

Overall, Uzbekistan offers a supportive telecom growth environment, combining a young and expanding population, strong economic growth, rising data consumption and further room for fixed and mobile adoption. The sector is evolving from a subscriber acquisition market toward one increasingly shaped by network quality, data monetisation and digital services. UzTelecom is well-positioned as the dominant fixed-network operator and a scaled mobile competitor, supported by nationwide infrastructure that would be difficult to replicate.

Uzbekistan telecom market size evolution and forecast

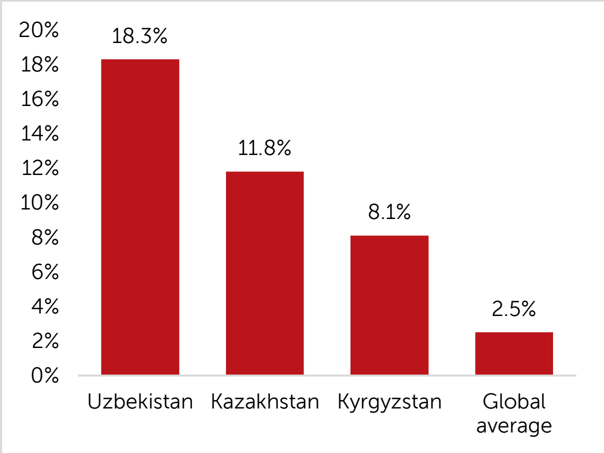


Uzbekistan telecom market revenue composition, 2025

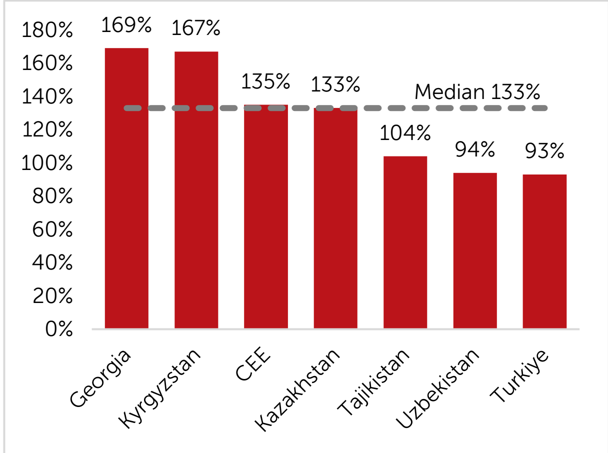


Source: National Statistics Committee Uzbekistan; forecast based on estimates published by Nexigen, TelecomDaily, Uzdaily.uz, and Tadvisor

Uzbekistan telecom market growth vs. regional peers, 2025



Mobile penetration ratios in neighbouring countries, 2025



Source: Uzdaily.uz, Tadvisor, Nexigen, TelecomDaily, UzNIF presentation

Four national operators compete in mobile

Uzbekistan's mobile market is served primarily by four national operators: UzTelecom through its UzMobile brand, Beeline Uzbekistan, Ucell and Mobiuz. Another player, Perfectum, operates on a smaller scale and plans to primarily operate standalone 5G services. In terms of market share, no single operator has an overwhelming mobile market position, and competition remains substantial across subscriber acquisition, tariffs, network coverage and service quality. Earlier, UzNIF reported the market shares of various players in 2025: 31% for UzTelecom, 29% for Ucell, and 21% for Beeline. Nevertheless, the rapid expansion of UzMobile's subscriber base indicates that UzTelecom has established itself as one of the country's largest mobile operators.

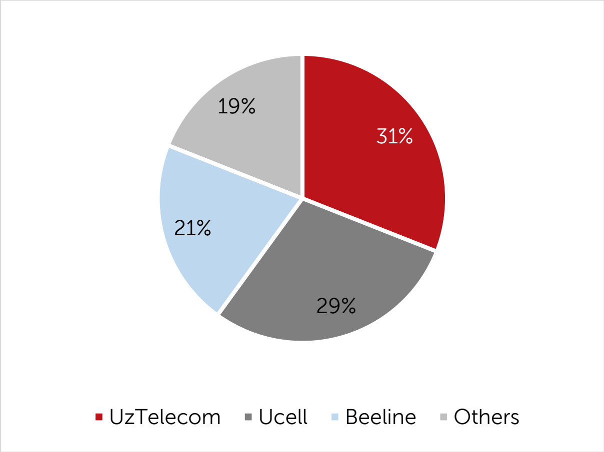
UzTelecom has a dominant fixed network position

The fixed market in Uzbekistan is more concentrated than the mobile market, with UzTelecom commanding a dominant 87% market share in 2025. Other key providers include East Telecom, Sarkor Telecom, Sharq Telecom, Comnet and TPS, while Beeline has entered fixed connectivity through fixed wireless access.

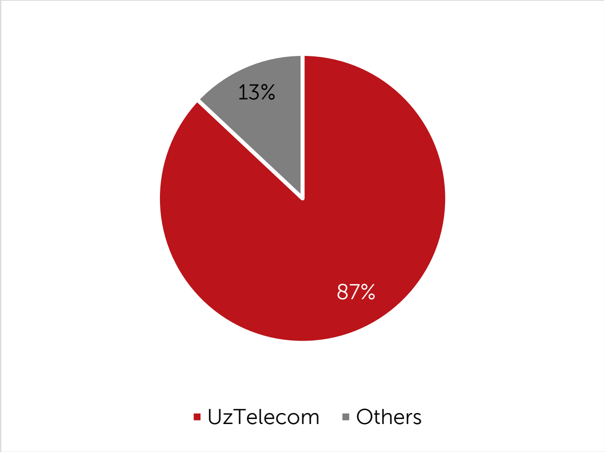
With national penetration at 34% in 2024, fixed broadband remains underpenetrated relative to mobile. UzTelecom's fixed subscriber base increased from 1.5m in 2022 to 2.4m in 2024. We expect further growth to come from expansion outside major cities, migration from copper to fibre, higher-speed packages and rising household demand for video and other bandwidth-intensive services.

In our view, UzTelecom's extensive national backbone and last-mile infrastructure create a significant competitive advantage. Replicating this network would require substantial capital and a long deployment period, particularly outside densely populated urban areas. The infrastructure also supports the company's mobile, enterprise and wholesale operations, allowing UzTelecom to share capacity and costs across several revenue streams.

Uzbekistan mobile market share by operator, 2025*



Uzbekistan fixed market share by operator, 2025



Source: UzNIF presentation; *Market share of operators' subscriber base per July 2025; Market share information is based on internal estimates of UzTelecom, which have not been independently verified

Investment is shifting toward fibre, capacity and 5G

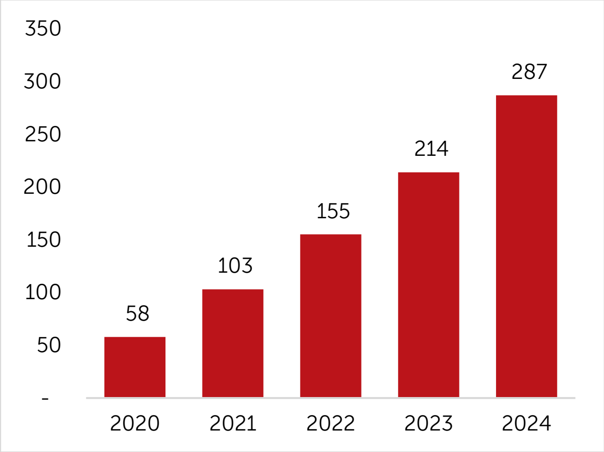
Telecommunications investment remains a policy priority under the Uzbekistan 2030 strategy. The government's targets include universal broadband and fibre access, mobile coverage along major highways, a tenfold increase in the bandwidth of communication channels, and the availability of 5G services in Tashkent, Karakalpakstan, and regional centres. Operators are therefore investing in fibre backbones, LTE-Advanced, 4G densification, early 5G clusters, cloud infrastructure and systems needed to launch and monetise digital services more quickly.

UzTelecom has led much of the country's fixed-network expansion. Its optical-fibre network increased from 58k km in 2020 to 287k km in 2024, representing a CAGR of 49%. Broadband ports rose from 2.3m in 2020 to 5.3m in 2024, while the proportion of fixed users connected through fibre reached 86% in 2024 (from 63% in 2020). The number of mobile base stations also increased from around 18k in 2020 to 28k in 2024, strengthening coverage and capacity across its mobile network.

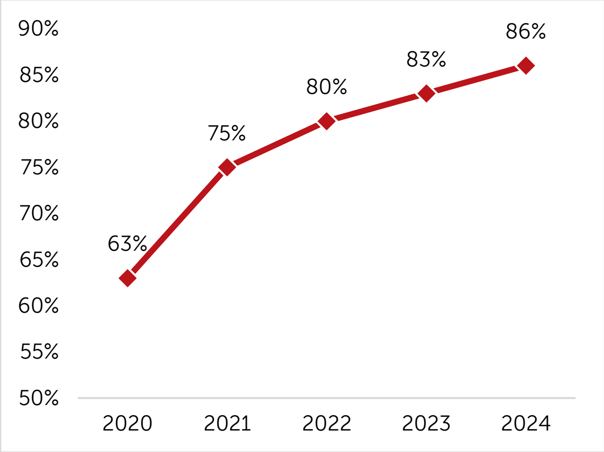
Investment continues, although we think that UzTelecom's peak spending phase may have passed. In August 2025, the Asian Infrastructure Investment Bank approved a USD 100m equivalent, CNY-denominated loan to support the expansion of the company's high-speed fixed and wireless networks. The project is intended to increase 4G and 5G coverage, expand the fixed broadband subscriber base and strengthen backbone capacity. At the same time, UzTelecom's IFRS capex intensity declined from approximately 35% of revenue in 2024 to 17% in 2025, suggesting that spending is shifting from large-scale network construction toward more selective upgrades and capacity expansion.

Competitors continue to invest in closing coverage and quality gaps. Beeline planned upgrades to more than 220 base stations by the end of 2025 and led recent network-speed measurements. Ucell has deployed a standalone 5G core, while Mobiuz has expanded coverage in parts of the Tashkent metro and participated in urban 5G pilots. Across the sector, investment is moving beyond basic voice coverage toward 4G capacity, network reliability, 5G readiness and differentiated digital services.

UzTelecom: Optical fibre lines, '000 kms

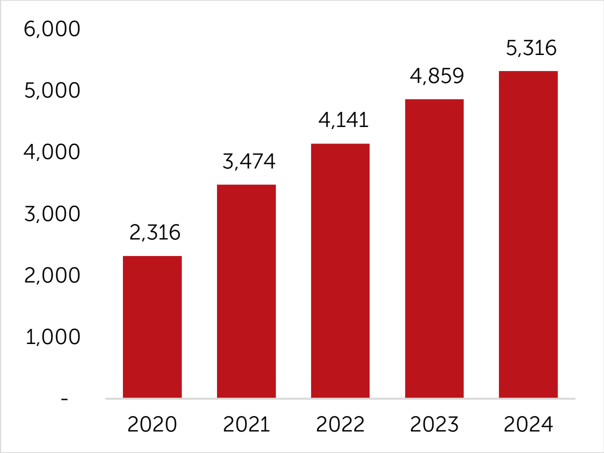


UzTelecom: Optical fibre users' share, %

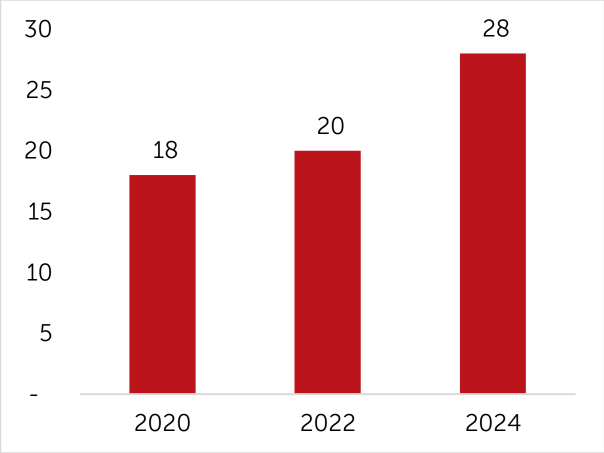


Source: UzNIF presentation

UzTelecom: Number of broadband ports, '000



UzTelecom: Number of base stations, '000



Source: UzNIF presentation

The price war appears to be easing

Uzbekistan's mobile operators previously competed aggressively for subscribers during the five years prior to 2025. This supported rapid subscriber and traffic growth but weakened monetisation. UzTelecom's mobile ARPU grew only marginally from around UZS30,900 in 2022 to UZS31,600 in 2024, even as its mobile subscriber base expanded sharply. This also suggests that the company's recent mobile segment revenue growth was driven predominantly by subscriber additions rather than pricing.

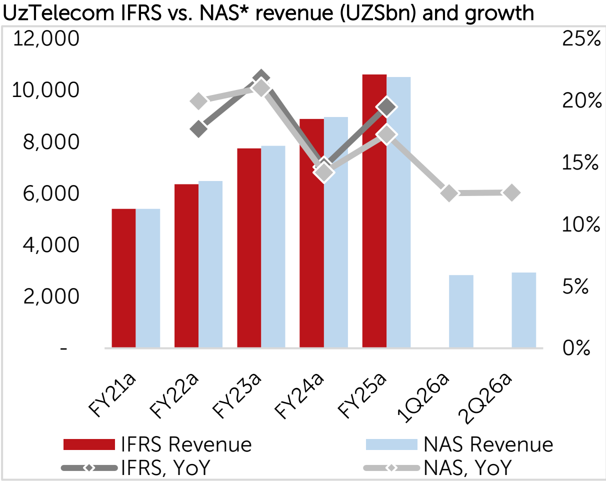
We believe the most disruptive phase of this price competition may be over. UzTelecom's mobile revenue increased by 28% in 2025, significantly faster than in the preceding two years, while its overall IFRS EBITDA margin recovered from 31.6% to 35.5%. We acknowledge that this margin improvement was also driven by fixed-line growth and company-specific operating leverage. However, in our view, industry behaviour appears to be shifting toward network quality, service bundles and data monetisation rather than subscriber growth at any cost. At the same time, we conservatively do not assume a significant tariff-led recovery in our forecasts. Instead, modest ARPU growth, continued subscriber additions and rising data use underpin our mobile outlook. A more sustained period of tariff discipline would therefore present upside, while renewed competitive activity remains an important risk.

UzTelecom business overview

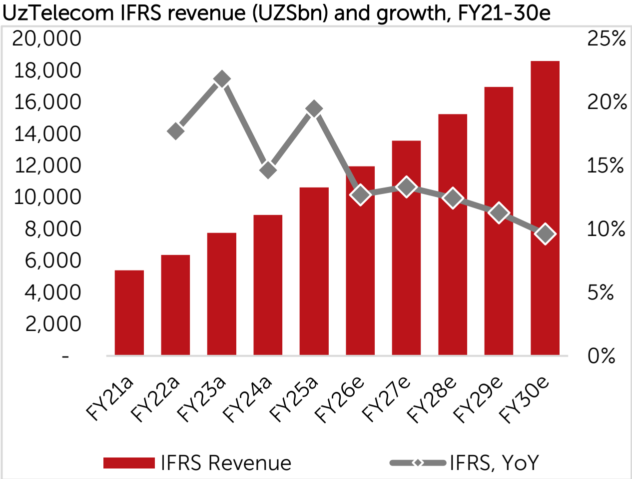
UzTelecom is Uzbekistan's national integrated telecommunications operator, with nationwide fixed-line, fibre, mobile and international connectivity infrastructure. The company operates in mobile under the UzMobile brand and is the country's dominant fixed broadband provider, with an estimated market share of 87%. Fixed services were its largest business in FY25, contributing 38% of revenue, followed by mobile at 32%, channel usage and wholesale connectivity at 11%, and other services at 19%. We believe its extensive infrastructure, including approximately 287k km of fibre and 5.3m broadband ports as of 2024, creates a significant advantage in scale and coverage.

In our view, UzTelecom's strategy is shifting from large-scale network construction toward infrastructure monetisation and digital service growth. The company continues to expand fibre broadband and 4G/5G coverage, while increasing network capacity and developing cloud, data centre, enterprise connectivity and other digital services. With the peak investment phase likely behind it, the strategic focus is increasingly on increasing subscriber numbers and data usage, improving service quality and ARPU, extracting operating leverage from the existing network, and converting earnings growth into stronger cash flow and lower leverage.

UzTelecom IFRS vs. NAS* revenue (UZSbn) and growth

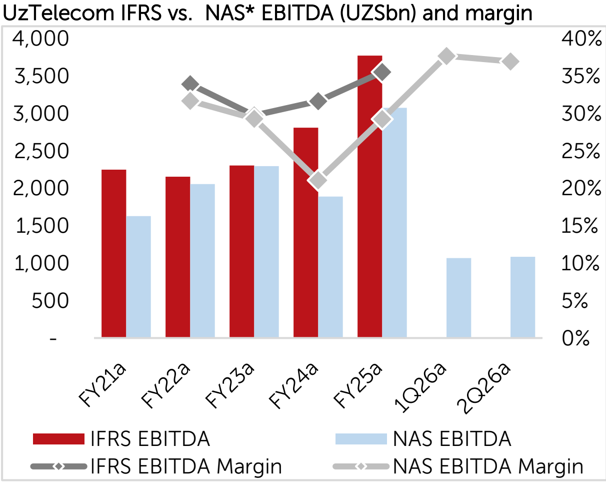


UzTelecom IFRS revenue (UZSbn) and growth, FY21-30e

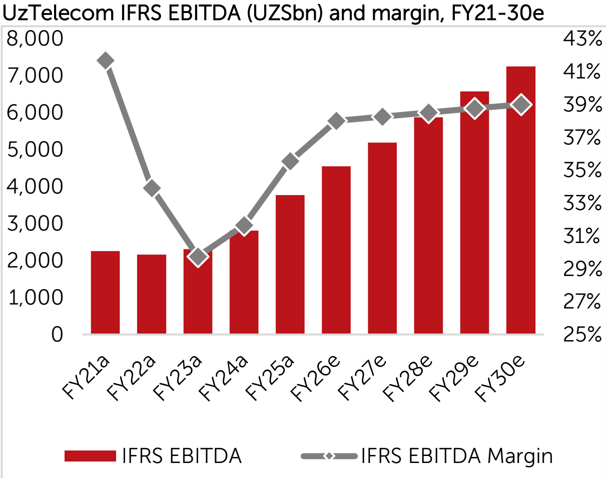


Source: Company reports, ADCB estimates; *NAS = National Accounting Standards

UzTelecom IFRS vs. NAS* EBITDA (UZSbn) and margin



UzTelecom IFRS EBITDA (UZSbn) and margin, FY21-30e



Source: Company reports, ADCB estimates

UzTelecom financial outlook

Growth remains healthy; margin expansion continues

Following the release of UzTelecom's 2Q26 financial results prepared in accordance with National Accounting Standards (NAS), we revisited our valuation model. We have added more granularity and details to the model and updated our estimates.

Over FY21-25, IFRS revenue closely tracked NAS revenue. Therefore, we use NAS as a close proxy for the company's IFRS revenue. UzTelecom's 2Q26 financial results indicate decelerating yet strong top-line growth. The NAS-based revenue increased 12.6% YoY in the quarter, bringing the 1H26 average growth also to 12.6% YoY. This marks a comparatively slower top-line growth trend compared with the last few years, but a still-healthy double-digit rate.

However, we highlight a much stronger trend in NAS EBITDA margin, which improved to 37.3% in 1H26, representing a 3.5pp YoY expansion. This comes after the company reported an over 8pp YoY expansion in NAS EBITDA margin in FY25. Historically, UzTelecom's IFRS EBITDA margin has generally been higher than its NAS-based margin, likely reflecting differences in the recognition and classification of operating costs and other accounting adjustments. Therefore, we estimate an IFRS EBITDA margin expansion of 2.5pp in FY26e to 38%, the highest since FY21a. We further forecast IFRS EBITDA to expand by 0.25pp annually in FY27-30e.

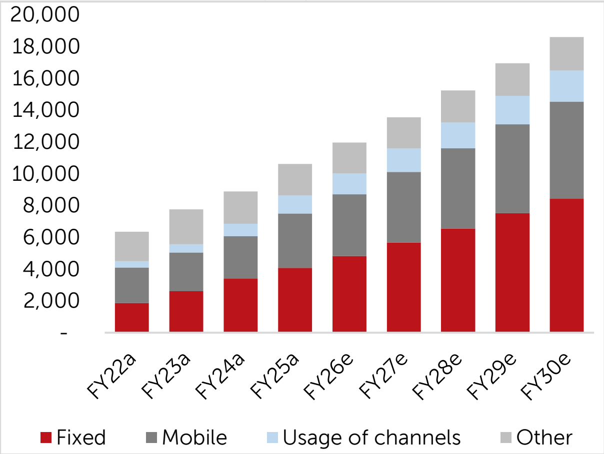
We note that our FY26e IFRS EBITDA margin forecast of 38% is significantly below the c.42% reported by the company in FY21a, highlighting the scope for further margin expansion. Our increasingly constructive view on UzTelecom's EBITDA margin is primarily driven by the following factors:

1. **Solid operating leverage:** UzTelecom's 1H26 NAS results indicate that operating leverage is supporting expansion in both gross and EBITDA margins. As a result, even though NAS revenue in 1H26 increased by 12.6% YoY, gross profit and EBITDA increased by a solid 29% and 24% YoY, respectively, implying much stronger leverage benefits at both gross and operating levels. We expect the company to display similar operating leverage gains in IFRS-based earnings, resulting in EBITDA and the bottom line rising at a faster pace than top-line growth.

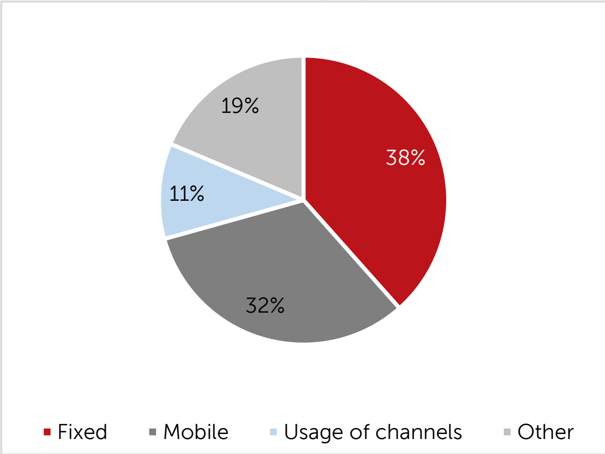
2. **"Price wars" have likely ended:** Before 2025, Uzbekistan's mobile sector struggled with price competition among its four telecom players – UzTelecom, Ucell, Beeline, and Mobiuz. This led to a deterioration in mobile ARPU while the subscriber base continued to expand strongly. We estimate that pricing and ARPU dynamics should have normalised in 2025. This is likely one of the key factors behind the solid 28% growth in mobile revenue in FY25. Going forward, we forecast 0-2% growth in ARPU over FY26-30e. Our ARPU growth forecast may appear relatively conservative, especially compared to Uzbekistan's current inflation rate of c.7% and its medium-term target of 5%. At the same time, we forecast mobile subscriber growth in the 7-15% range, implying a deceleration relative to the last few years of strong growth. With national mobile SIM penetration at c.94%, we think there is still room for double-digit subscriber growth in Uzbekistan in the medium term.

3. **Fixed market leadership:** We have a relatively more positive view on the fixed segment's performance. The segment is the largest contributor to the company's revenue, accounting for a 38% share in FY25a. UzTelecom's fixed revenue has risen steadily, more than doubling in FY22-25a. Over 2020-24, the company invested in expanding its optical fibre lines, which increased at a 49% CAGR, reaching 287k kms in 2024. This makes UzTelecom a dominant player in Uzbekistan's fixed sector, with an 87% market share. We expect the company to expand its fixed subscriber base at low- to mid-teen percentages over FY26-30e. In addition to fixed broadband, we think enterprise cloud services offer another growth opportunity for the segment.

UzTelecom IFRS revenue by segment (UZSbn)

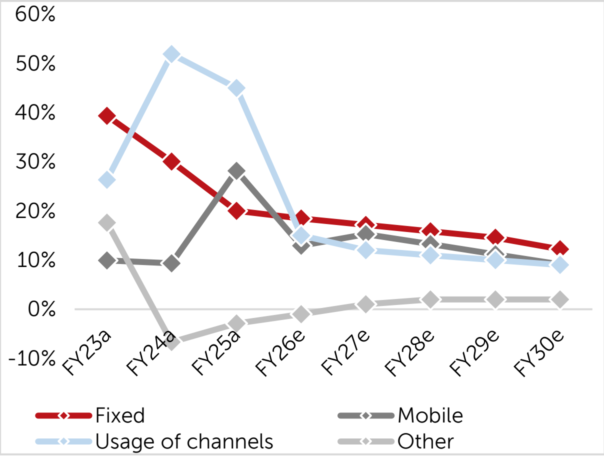


UzTelecom IFRS revenue share by segment, FY25

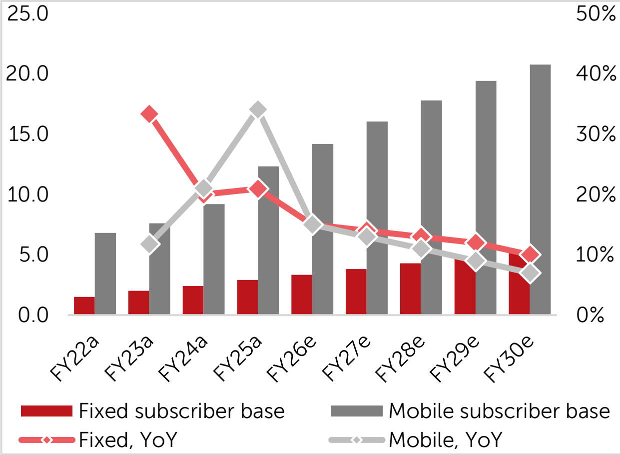


Source: Company reports, ADCB estimates

UzTelecom revenue growth by segment (YoY, %)

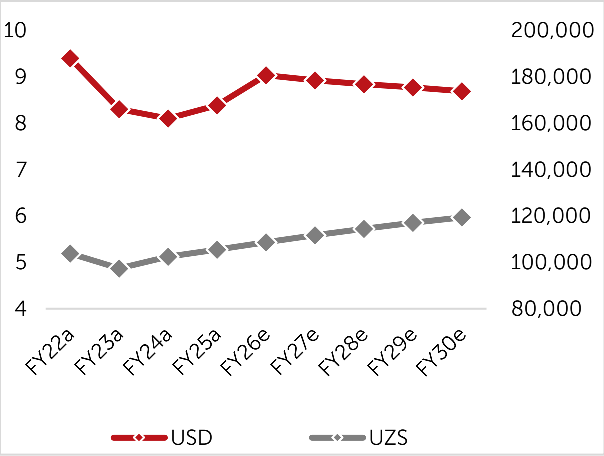


UzTelecom subscriber base (m) and growth (YoY, %)

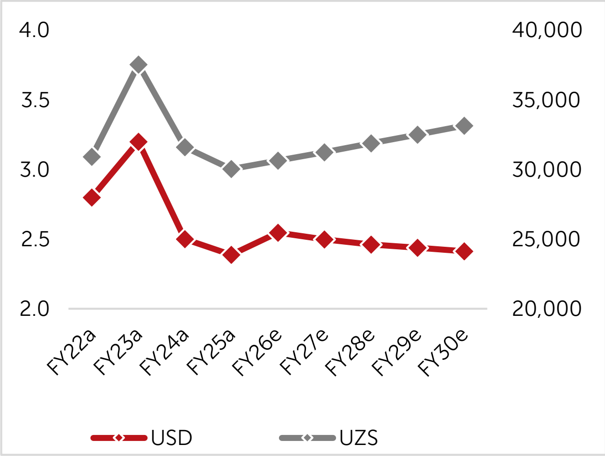


Source: Company reports, ADCB estimates

UzTelecom fixed ARPU in USD (LHS) and UZS (RHS)



UzTelecom mobile ARPU in USD (LHS) and UZS (RHS)



Source: Company reports, ADCB estimates for FY25 to FY30

Peak capex is likely behind us, supporting stronger cash flow and a higher dividend payout

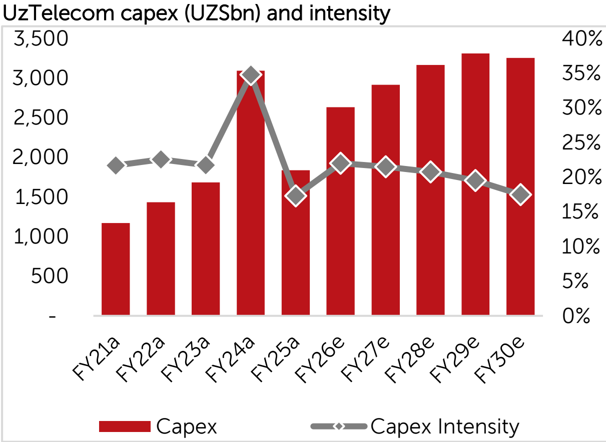
We believe UzTelecom's capex likely peaked in FY24a, when the company invested heavily to upgrade its mobile technology, launch cloud services, and further expand its mobile and fixed infrastructure. Capital intensity (capex as a percentage of sales) increased to c.35% in FY24a. In comparison, capex intensity in the previous three years was around 22%, still high as UzTelecom was ramping up investments to upgrade and expand its telecom infrastructure.

The company's FY25a capex indicates a steep decline in capex intensity to 17.3%, suggesting the large investment cycle has likely come to an end. We forecast capex intensity to remain in the 18-22% range in FY26-30e, above the FY25a level but below the FY24a peak. We do not expect spectrum-related investment capex for the company, as spectrum in Uzbekistan is allocated by the government. Therefore, we do not foresee any sudden increase in capex related to spectrum auctions.

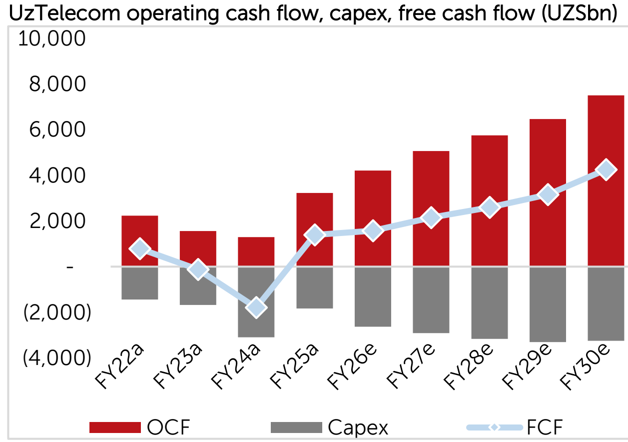
Increased capital investment was the key driver of UzTelecom's negative free cash flows (FCF) in FY23-24. However, FCF turned positive in FY25 to a solid UZS1.4tn, the highest in at least the last six years. We expect FCF to recover further in FY26-30e, supported by improving operational performance and a normalisation of capex intensity.

We believe stronger FCF generation should enable the company to raise its dividend payout ratio to 50%. As a reminder, UzNIF's portfolio companies are required to maintain a minimum dividend payout ratio of 50% of their net profits until 2030, according to Presidential Decree (RP-303, 24 August 2024). The dividend payout in respect of FY25 earnings already represents c.52% of FY25 IFRS net profit. We assume a payout of 50% of annual earnings in FY26-30e. Our forecast indicates the company should comfortably fulfil its dividend payout mandate while still having residual cash to deleverage or invest in capital.

UzTelecom capex (UZSbn) and intensity

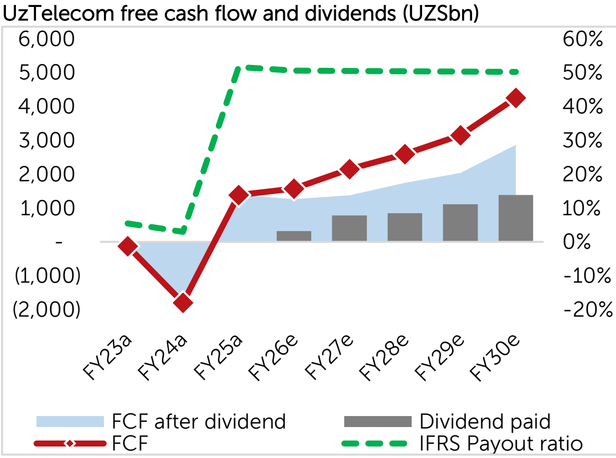


UzTelecom operating cash flow, capex, free cash flow (UZSbn)

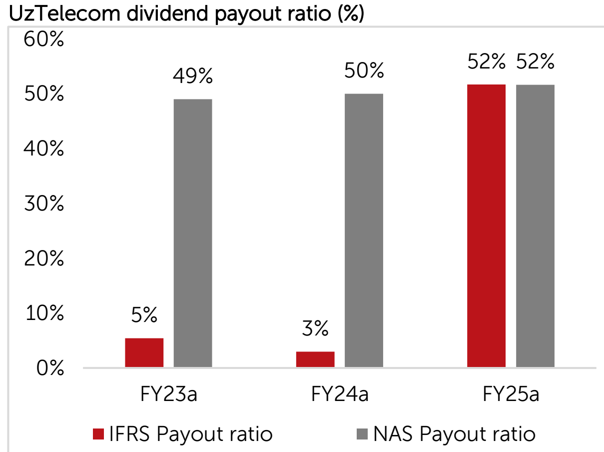


Source: Company reports, ADCB estimates

UzTelecom free cash flow and dividends (UZSbn)



UzTelecom dividend payout ratio (%)



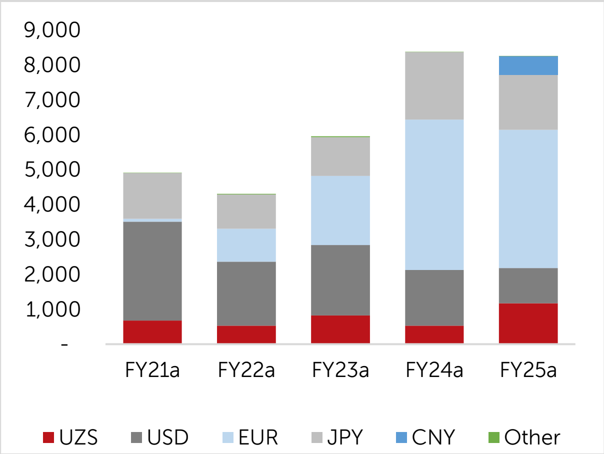
Source: Company reports, ADCB estimates; Note: Dividend payout ratios are based on dividends declared in respect of each performance year and therefore differ from cash dividends paid in the cash flow statement

Improving leverage profile

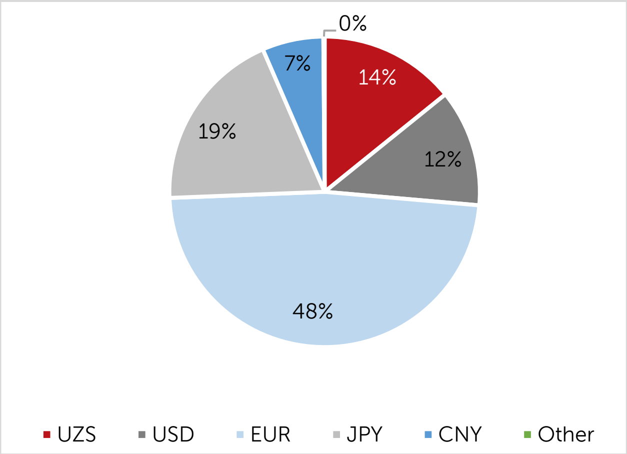
At the end of 2025, 86% of UzTelecom's UZS8.3tn (USD688m) debt was denominated in four foreign currencies: USD (12%), EUR (48%), JPY (19%) and CNY (7%). This exposes the company to FX movement-related gains or losses. UzTelecom has reported significant FX losses in the past. They were particularly high at UZS544bn (41% of operating profit) in 2023, when the UZS depreciated around 10% (year-end) against the USD. Currently, with close to half of the company's debt EUR-denominated, currency movements against the EUR are more relevant for UzTelecom. FX movements so far in 2026 have been relatively favourable, with the UZS appreciating versus the EUR. Therefore, the company could potentially post an FX gain in 2026e. We estimate that a 1% appreciation or depreciation of the UZS against the EUR would decrease or increase our FY26e net income forecast by c.2%, respectively, while the corresponding impact from a 1% movement against the USD would be c.1%.

For leverage, UzTelecom's net debt/EBITDA ratio likely peaked at 3.2x in 2024. The ratio was hovering around 3.0x in 2023-24. However, with EBITDA rising by 34% in 2025, net debt/EBITDA dropped significantly to 2.4x. We expect the company's improving EBITDA profile and stronger cash position to bring the leverage ratio below 2.0x over 2026-30e.

UzTelecom borrowings by currency (UZSbn)

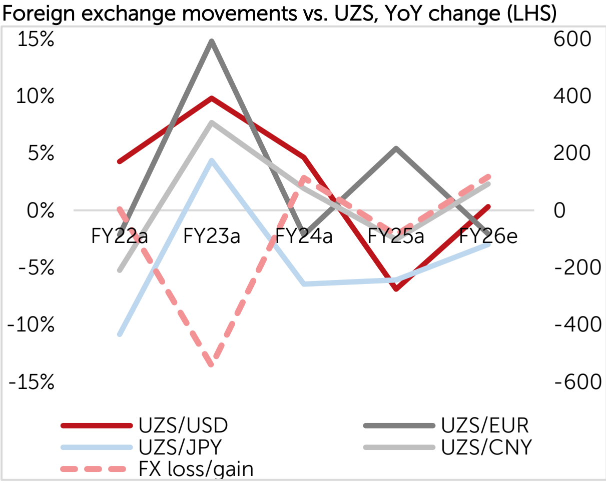


UzTelecom borrowings – share by currency, 2025

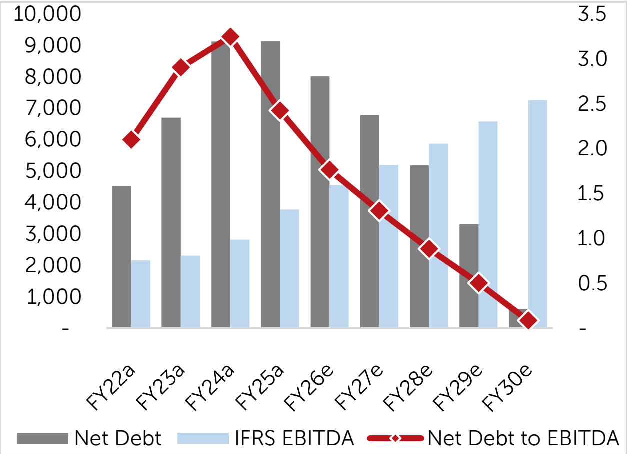


Source: Company reports, ADCB estimates; Note: borrowings include long-term and short-term debt

Foreign exchange movements vs. UZS, YoY change (LHS)



UzTelecom net debt*/EBITDA (RHS), net debt & EBITDA (UZSbn)



Source: Company reports, ADCB estimates; *Net debt calculations include lease and contract liabilities

Valuation

Our valuation of UzTelecom is derived from a simple average of DCF and EV/EBITDA-based methodologies, resulting in a total equity valuation of USD1.9bn. This implies a USD570m value for UzNIF's 30% stake in UzTelecom.

UzTelecom valuation table

Valuation table	NAV (USDbn)	Weight	UzNIF's 30% stake (USDm)
DCF	2.00	50%	600
EV/EBITDA	1.80	50%	540
Wt. avg. equity value	**1.90**		
UzNIF stake			**570**

Source: ADCB estimates

Discounted cash flow (DCF)

Our DCF is based on a WACC of 15.7% and a terminal growth rate of 5%. Our WACC is based on the following assumptions: a beta of 0.90, market risk premium of 9.0%, risk-free rate of 14.0%, and cost of debt of 9.5%. These assumptions result in a 22.1% cost of equity and a WACC of 15.7% for UzTelecom. We assume a tax rate of 15%. This results in our FY26-27e time-weighted equity value of USD2.0bn (rounded). We assume a UZS/USD rate of 12,030, which is in line with our FY26e forecast.

We derive our assumption based on following rationale:

- **Cost of debt:** Our 9.5% assumption reflects UzTelecom's weighted-average effective interest rate in FY25a. The company reported UZS3.3tn of fixed-rate borrowings at an effective rate of 11.4% and UZS5.0tn of floating-rate borrowings at 8.3%.
- **Beta:** Our beta of 0.9 is based on Aswath Damodaran's 2026 global cash-adjusted unlevered betas of 0.5 for telecom services and 0.6 for wireless telecom companies. Weighting these benchmarks by UzTelecom's FY25a fixed/services and mobile revenue mix produces an unlevered beta of c. 0.53. We then relever this beta using the company's debt-to-equity ratio and a 15% tax rate, resulting in a levered beta of 0.91, which we round to 0.9.
- **Uzbekistan market risk premium**: We assume a market risk premium of 9.0%, broadly in line with the 9.12% implied by adding Aswath Damodaran's 2026 Uzbekistan country risk premium of 4.66% to the mature-market equity risk premium of 4.46%.
- **Risk-free rate**: We assume a risk-free rate of 14.0%, broadly in line with the 13.82% rate implied by adjusting Uzbekistan's 10-year local-currency government bond yield of 16.88% for Aswath Damodaran's 2026 sovereign default spread of 3.06%.
- **Terminal growth rate**: We assume a 5% terminal growth rate, broadly aligned with the government's medium-term inflation target and conservative relative to its real GDP growth forecasts of 6.9-8.1% over 2026-29.

UzTelecom WACC calculation

Parameter	Assumption
Cost of debt	9.5%
After-tax cost of debt	**8.1%**
Beta	0.90
Market risk premium	9.0%
Risk-free rate	14.0%
Cost of equity	**22.1%**
Gearing	45.4%
Corporate tax rate	15.0%
WACC	**15.7%**
Terminal growth rate	5.0%

Source: ADCB estimates

UzTelecom DCF

		FY25a	FY26e	FY27e	FY28e	FY29e	FY30e	Terminal value (TV)
Net operating profit after tax	UZSbn	1,386	1,830	2,103	2,397	2,703	3,406	
DDA	UZSbn	2,142	2,393	2,711	3,049	3,392	3,244	
Capex	UZSbn	(1,835)	(2,632)	(2,915)	(3,163)	(3,308)	(3,254)	
Working capital changes	UZSbn	(436)	(137)	80	84	86	453	
FCF	**UZSbn**	**1,257**	**1,454**	**1,979**	**2,367**	**2,874**	**3,850**	**37,674**
FCF + TV	UZSbn		1,454	1,979	2,367	2,874	41,524	
EV	**UZSbn**		**29,935**	**32,960**	**35,854**	**38,754**	**41,524**	
Net debt*, prior period	UZSbn		(9,130)	(8,004)				
Minority	UZSbn		(9)	(9)				
Equity	**UZSbn**		**20,795**	**24,947**				
Period Wt.	%		33%	67%				
Period wt. equity value	**UZSbn**		**23,563**					
USD/UZS			12,030					
Equity value (rounded)	**USDbn**		**2.00**					
UzNIF stake	%		30%					
UzNIF stake	**USDm**		**600**					

Source: ADCB estimates; *Net debt including lease and contract liabilities

DCF sensitivity to changes in WACC and terminal growth rate

WACC	Terminal growth rate -> 2.0%	3.0%	4.0%	5.0%	6.0%	7.0%	8.0%
13.0%	2.0	2.3	2.5	2.9	3.3	3.9	4.7
14.0%	1.8	2.0	2.2	2.5	2.8	3.2	3.8
15.0%	1.6	1.8	1.9	2.2	2.4	2.7	3.1
15.7%	1.5	1.6	1.8	**2.0**	2.2	2.4	2.8
17.0%	1.3	1.4	1.5	1.7	1.8	2.1	2.3
18.0%	1.2	1.3	1.4	1.5	1.6	1.8	2.0
19.0%	1.1	1.2	1.2	1.3	1.5	1.6	1.8

Source: ADCB estimates

DCF sensitivity to changes in 2026 EBITDA margin assumption

				EBITDA margin →			
	35.0%	36.0%	37.0%	38.0%	39.0%	40.0%	41.0%
NAV	1.6	1.7	1.8	**2.0**	2.1	2.2	2.3
% change vs base case	-19.6%	-14.6%	-9.5%	0.0%	5.5%	10.6%	15.6%

Source: ADCB estimates

EV/EBITDA valuation

Our EV/EBITDA valuation is based on a target multiple of 6.0x applied to our FY26-27e EBITDA forecasts. This results in an equity value of USD1.80bn (rounded) for UzTelecom, implying a USD540m value for UzNIF's 30% stake in the asset. Our target multiple of 6.0x is slightly higher than the FY25a peer average of 5.7x. We believe this premium is justified by UzTelecom's superior earnings growth outlook, dominant fixed network position, difficult to replicate infrastructure and emerging free cashflow inflection. The company's improving margin and leverage profile, together with the prospect of an international offering, provides further support through better shareholder returns, governance and price discovery. We keep the premium modest to reflect foreign exchange exposure, state ownership, limited liquidity and execution risk. We do not rely on forward peer multiples because consensus coverage is limited, particularly for non-MENA telecom operators, where several companies have only one or two contributing analyst estimates.

Relative valuation sensitivity to changes in EV/EBITDA multiple assumption

				EV/EBITDA multiple →				
	4.5	5.0	5.5	6.0	6.5	7.0	7.5	8.0
NAV	1.2	1.4	1.6	**1.8**	2.0	2.2	2.4	2.6
% change vs base case	-33.3%	-22.2%	-11.1%	0.0%	11.1%	22.2%	33.3%	44.4%

Source: ADCB estimates

UzTelecom peer comparable table

Name	Ticker	Country	Curr.	CMP	Market cap (USDm)	EV/EBITDA FY25a	EV/EBITDA FY26e	EV/EBITDA FY27e	Last 3Y revenue growth FY22-25a	Next 3Yr revenue growth FY25-28e	Last 3Y EBITDA growth FY22-25a	Next 3Yr EBITDA growth FY25-28e	EBITDA margin FY25a	Net debt/EBITDA FY25a
Middle East & Africa														
DU	DU UH	UAE	AED	11.50	14,192	6.8	6.3	6.0	7.6%	5.2%	12.6%	5.9%	46.1%	(0.3)
E&	EAND UH	UAE	AED	21.56	51,049	7.2	6.6	6.2	11.6%	6.5%	6.9%	6.8%	44.0%	1.0
Etihad Etisalat	EEC AB	KSA	SAR	65.30	13,422	7.5	7.1	6.7	7.9%	5.9%	7.4%	5.8%	38.8%	0.9
Zain, SA	ZAINKSA AB	KSA	SAR	10.40	2,511	5.4	5.3	5.1	6.6%	3.9%	3.3%	3.7%	31.6%	2.7
Saudi Telecom	STC AB	KSA	SAR	44.36	59,069	9.3	8.7	8.3	4.9%	4.7%	-0.8%	5.5%	31.4%	0.1
Zain, Kuwait	ZAIN KK	Kuwait	KWd	617.00	8,642	6.5	6.5	6.0	9.7%	6.2%	6.4%	4.7%	35.3%	2.3
OOREDOO	ORDS QD	Qatar	QAR	12.61	11,133	4.4	4.2	4.0	2.9%	3.5%	4.9%	4.5%	42.6%	0.1
Oman Telecom.	OTEL OM	Oman	OMR	1.39	2,659	4.8	4.5	4.2	8.4%	6.4%	na	5.9%	33.9%	2.0
Bahrain Telecom.	BEYON BI	Bahrain	BHD	0.45	1,977	5.2	na	na	na	na	na	na	37.9%	0.9
Maroc Telecom	IAM MC	Morocco	MAD	101.10	9,811	6.2	5.9	5.8	3.7%	1.7%	2.8%	2.2%	50.4%	1.0
Telecom Egypt	ETEL EY	Egypt	EGP	118.49	3,916	5.4	4.8	4.5	-2.6%	10.8%	1.7%	9.9%	44.5%	1.4
Safaricom	SAFCOM KN	Kenya	KES	36.35	11,321	7.4	6.4	5.8	8.7%	9.6%	13.7%	12.0%	51.5%	0.6
MTN Group	MTN SJ	S.Africa	ZAr	19,300	22,290	4.6	3.4	2.8	0.0%	17.7%	-0.2%	22.9%	43.2%	0.3
Airtel Africa	AAF LN	UK	GBp	327.20	16,693	7.2	5.7	5.0	6.9%	16.4%	7.1%	16.8%	49.3%	1.8
Average						**6.3**	**5.8**	**5.4**	**5.9%**	**7.6%**	**5.5%**	**8.2%**	**41.5%**	**1.0**
Central Europe														
Kazakhtelecom	KZTK KZ	Kazakhstan	KZT	44,850	1,048	4.3	na	na	-6.5%	na	-16.6%	na	34.6%	1.1
Turkcell	TCELL TI	Turkey	TRY	104.30	4,713	1.8	1.7	1.3	23.0%	20.2%	25.2%	19.4%	43.1%	(0.0)
Turk Telekom	TTKOM TI	Turkey	TRY	54.85	3,898	2.1	1.9	1.5	27.9%	18.8%	29.1%	22.4%	41.0%	0.6
Average						**2.7**	**1.8**	**1.4**	**14.8%**	**19.5%**	**12.6%**	**20.9%**	**39.6%**	**0.5**
Asia														
Globe	GLO PM	Philippines	PHP	1,748	3,997	5.2	5.3	5.2	-1.2%	1.3%	1.6%	0.5%	49.2%	2.6
Pakistan Telecom	PTC PA	Pakistan	PKR	71.04	1,276	11.1	na	na	6.2%	na	3.8%	na	21.7%	4.5
Average						**8.1**	**5.3**	**5.2**	**2.5%**	**1.3%**	**2.7%**	**0.5%**	**35.4%**	**3.5**
Eastern Europe														
Telekom Slovenije	TLSG SV	Slovenia	EUR	156.00	1,151	5.3	4.8	4.6	6.8%	na	9.5%	na	35.6%	1.4
Hrvatski Telekom	HT CZ	Croatia	EUR	40.00	3,611	6.9	6.7	6.5	7.1%	3.4%	6.6%	2.5%	40.5%	(0.1)
VEON	VEON US	Nasdaq	USD	59.38	4,291	4.8	4.4	4.0	5.4%	11.0%	4.8%	9.8%	45.7%	2.6
Average						**5.7**	**5.3**	**5.1**	**6.4%**	**7.2%**	**7.0%**	**6.2%**	**40.6%**	**1.3**
UzTelecom*	UZTL UZ	Uzbekistan	UZS	13,200	917	8.5	7.0	6.2	18.6%	12.8%	20.5%	15.9%	35.5%	2.4
Overall average**						**5.7**	**4.6**	**4.3**	**7.4%**	**8.9%**	**6.9%**	**8.9%**	**39.3%**	**1.6**

Source: Bloomberg consensus; *ADCB estimates, **excluding UzTelecom

Upside risks

- **Stronger margin expansion:** Continued operating leverage could result in stronger-than-expected EBITDA margins over our forecast timeframe.
- **Higher subscriber growth and ARPU:** Stronger-than-expected mobile and fibre adoption, alongside tariff increases, could accelerate revenue growth.
- **Lower capex intensity:** Capex below our 16-17% forecast range would improve FCF and deleveraging.
- **Faster debt reduction:** Stronger cash generation or cheaper refinancing could reduce finance costs faster than expected.
- **Higher payout or rerating:** Better dividend execution and market liquidity could support a higher-than-expected valuation multiple.

Downside risks

- **Renewed price competition:** Stronger competition and aggressive mobile pricing could pressure ARPU and margins.
- **Sharper growth slowdown:** Mobile saturation or weaker subscriber additions could reduce revenue growth.
- **Adverse FX movements:** UZS depreciation against EUR, JPY, USD or CNY resulting in material FX losses.
- **Higher capex requirements:** Further network upgrades could delay the expected FCF recovery.

Summary financials

UzTelecom income statement

		FY24a	FY25a	FY26e	FY27e	FY28e	FY29e	FY30e
Revenue	**UZSbn**	**8,884**	**10,616**	**11,963**	**13,557**	**15,243**	**16,962**	**18,593**
YoY	*%*	*14.6%*	*19.5%*	12.7%	13.3%	12.4%	11.3%	9.6%
Gross profit	UZSbn	**3113**	**4209**	**4,785**	**5,423**	**6,097**	**6,785**	**7,437**
Gross margin	*%*	*35%*	*40%*	40.0%	40.0%	40.0%	40.0%	40.0%
EBITDA	**UZSbn**	**2812**	**3773**	**4,546**	**5,186**	**5,869**	**6,573**	**7,251**
EBITDA margin	%	31.7%	35.5%	38.0%	38.3%	38.5%	38.8%	39.0%
DDA	**UZSbn**	1263	2142	2,393	2,711	3,049	3,392	3,244
EBIT	**UZSbn**	**1,549**	**1,631**	**2,153**	**2,474**	**2,820**	**3,180**	**4,007**
Finance expense	UZSbn	(607)	(749)	(741)	(721)	(700)	(679)	(659)
Finance income	UZSbn	16	42	283	489	720	948	1,234
FX gain/loss	UZSbn	114	(86)	117	(272)	(239)	(206)	(206)
Share in profit of JV + Others	UZSbn	(20)	(68)	-	-	-	-	-
PBT	**UZSbn**	**1,052**	**771**	**1,812**	**1,970**	**2,601**	**3,243**	**4,376**
Tax	UZSbn	(251)	(161)	(272)	(296)	(390)	(486)	(656)
Tax rate	%	-24%	-21%	-15%	-15%	-15%	-15%	-15%
Net profit	UZSbn	801	610	1,540	1,675	2,211	2,757	3,720
Net profit to shareholders	**UZSbn**	**799**	**607**	**1,537**	**1,672**	**2,208**	**2,754**	**3,717**
Non-controlling interest	UZSbn	2.0	3.0	3.0	3.0	3.0	3.0	3.0

Source: Company reports, ADCB estimates

UzTelecom balance sheet

		FY24a	FY25a	FY26e	FY27e	FY28e	FY29e	FY30e
PPE	UZSbn	12477	12829	13,068	13,272	13,386	13,301	13,310
Right-of-use assets	UZSbn	293	501	501	501	501	501	501
Others	UZSbn	749	950	950	950	950	950	950
Total non-current assets	**UZSbn**	**13519**	**14280**	**14,519**	**14,723**	**14,837**	**14,752**	**14,761**
Cash	UZSbn	106	282	1,408	2,637	4,230	6,109	8,807
Others	UZSbn	1090	1160	1,160	1,160	1,160	1,160	1,160
Total current assets	**UZSbn**	**1196**	**1442**	**2,568**	**3,797**	**5,390**	**7,269**	**9,967**
Total assets	**UZSbn**	**14715**	**15722**	**17,087**	**18,519**	**20,227**	**22,021**	**24,728**
Equity to shareholders	UZSbn	3324	4090	5,176	5,926	7,137	8,618	10,782
Others	UZSbn	7	10	10	10	10	10	10
Total Equity	**UZSbn**	**3331**	**4100**	**5,186**	**5,936**	**7,147**	**8,628**	**10,792**
Long-term borrowings	UZSbn	6518	5734	5,734	5,734	5,734	5,734	5,734
Lease liabilities	UZSbn	238	403	403	403	403	403	403
Contract liabilities	UZSbn	57	53	53	53	53	53	53
Others	UZSbn	506	628	628	628	628	628	628
Total non-current liabilities	**UZSbn**	**7319**	**6818**	**6,818**	**6,818**	**6,818**	**6,818**	**6,818**
Current borrowings	UZSbn	1870	2532	2,669	2,589	2,505	2,419	1,965
Current lease liabilities	UZSbn	84	149	149	149	149	149	149
Contract liabilities	UZSbn	461	541	541	541	541	541	541
Others	UZSbn	1650	1582	1,725	2,487	3,067	3,466	4,463
Total current liabilities	**UZSbn**	**4065**	**4804**	**5,083**	**5,766**	**6,262**	**6,575**	**7,118**
Total liabilities	**UZSbn**	**11384**	**11622**	**11,901**	**12,584**	**13,080**	**13,393**	**13,936**

Source: Company reports, ADCB estimates

UzTelecom cash flow statement

		FY24a	FY25a	FY26e	FY27e	FY28e	FY29e	FY30e
EBITDA	UZSbn	2,812	3,773	4,546	5,186	5,869	6,573	7,251
Working capital changes	UZSbn	(1,014)	(436)	(137)	80	84	86	453
Others	UZSbn	(503)	(113)	(200)	(200)	(200)	(200)	(200)
OCF	**UZSbn**	**1,295**	**3,224**	**4,209**	**5,065**	**5,753**	**6,459**	**7,505**
Capex	**UZSbn**	**(3,090)**	**(1,835)**	**(2,632)**	**(2,915)**	**(3,163)**	**(3,308)**	**(3,254)**
Capex Intensity	%	34.8%	17.3%	22.0%	21.5%	20.8%	19.5%	17.5%
Others	UZSbn	130	70	-				
Investing CFs	**UZSbn**	**(2,960)**	**(1,765)**	**(2,632)**	**(2,915)**	**(3,163)**	**(3,308)**	**(3,254)**
Distribution to shareholders	UZSbn	(44.3)	(43.8)	(138)	(145)	(152)	(160)	(168)
Dividends to shareholders	UZSbn	(2.4)	(8.4)	(313)	(777)	(844)	(1,112)	(1,385)
Others	UZSbn	1,818	(1,216)	-	-	-	-	-
Financing CFs	**UZSbn**	**1,771**	**(1,268)**	**(451)**	**(922)**	**(997)**	**(1,272)**	**(1,553)**
Total cash flow	UZSbn	106	191	1,126	1,229	1,593	1,879	2,698
FX and others	UZSbn	(20)	(15)	-	-	-	-	-
Opening cash	UZSbn	20	106	282	1,408	2,637	4,230	6,109
Closing cash	**UZSbn**	**106**	**282**	**1,408**	**2,637**	**4,230**	**6,109**	**8,807**

Source: Company reports, ADCB estimates

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