

Artel issues debut bond on Tashkent Stock Exchange

TASHKENT, UZBEKISTAN, June 13, 2022 /EINPresswire.com/ -- On Friday 10th June 2022, [Artel Electronics](#) LLC (Artel), Central Asia's leading electronics and home appliance manufacturer, became the largest 100% privately-owned company to successfully place a corporate bond on the Tashkent Stock Exchange (TSE). The company placed a debut three-tranche bond offering of UZS 30bln (US\$2.71m), with maturities of 12-18 months, a coupon interest rate of 21 - 22.5%, and quarterly payments. The Central Bank of Uzbekistan base rate is currently 16%.



Artel Investor Day

The bond issuance is Artel's first capital markets activity, either domestically or internationally. A broad range of investors participated in the raise, which was oversubscribed.

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*Shokhruh Ruzikulov, CEO,
Artel Electronics LLC*

In its first interaction with the investor community, Artel showcased its leading domestic market share, rapid increase in export sales, and strong projections for future growth. The raise will be used to replenish the company's working capital.

Sarvar Akhmedov, Head of the Capital Markets Development Department, [Ministry of Finance](#) of the Republic of Uzbekistan, said: “Artel's issuance on the TSE is the latest encouraging sign of the development of Uzbekistan's capital markets. The Ministry of Finance is

committed to increasing confidence in the domestic markets and creating the conditions for an increasingly healthy and liquid TSE. We expect that other large players will soon consider the TSE as an attractive forum to raise capital, which will further develop both their businesses and our country.”

Shokhruh Ruzikulov, CEO, Artel Electronics LLC, added: "We are very proud to have issued our first bond on the domestic market. The TSE, with a pool of regionally focused investors, is the natural forum for our first bond issuance. It provides us the opportunity to demonstrate Artel's robust fundamentals and strong growth prospects. Interacting successfully with the investor community is affirmation of our hard work in consolidating our businesses and aligning with international best practice in ESG and financial reporting."

The issuance is Artel's natural next step as the company continues to align with international standards across its

operations, providing an opportunity to access new forms of financing. This transformation has been facilitated by the Group's 2020 consolidation under the parent company, Artel Electronics LLC. Total consolidated assets exceed UZS 3.7trn (US\$330m).

Following extensive tax reforms in Uzbekistan in 2019 that lifted restrictions on the size of businesses, private entities have been able to consolidate their subsidiary companies under holding groups. This has allowed them to introduce international standards of corporate governance and accounting practices, and provided the scale to access more diverse forms of financing, both domestically and internationally.

In early 2022, a Presidential decree was issued that introduced tax incentives to encourage investment in the domestic capital markets. Artel becomes the largest private company to issue a bond on the TSE.

[Avesta Investment Group](#) acted as lead manager for the transaction.

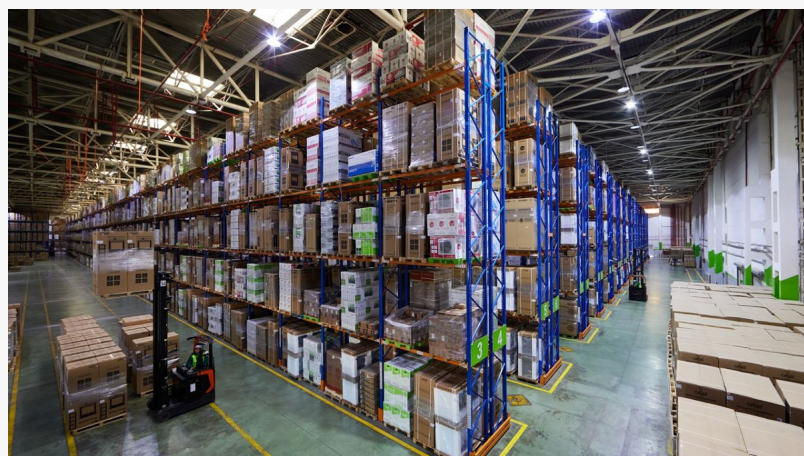
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Artel logistics center in Tashkent



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