

## Dividend yield in Uzbekistan

For this research we scrutinized the dividends payments for 143 out of 600 Joint Stock Companies, most of which are listed at the Tashkent Stock Exchange and regularly distribute profits as dividends to shareholders.

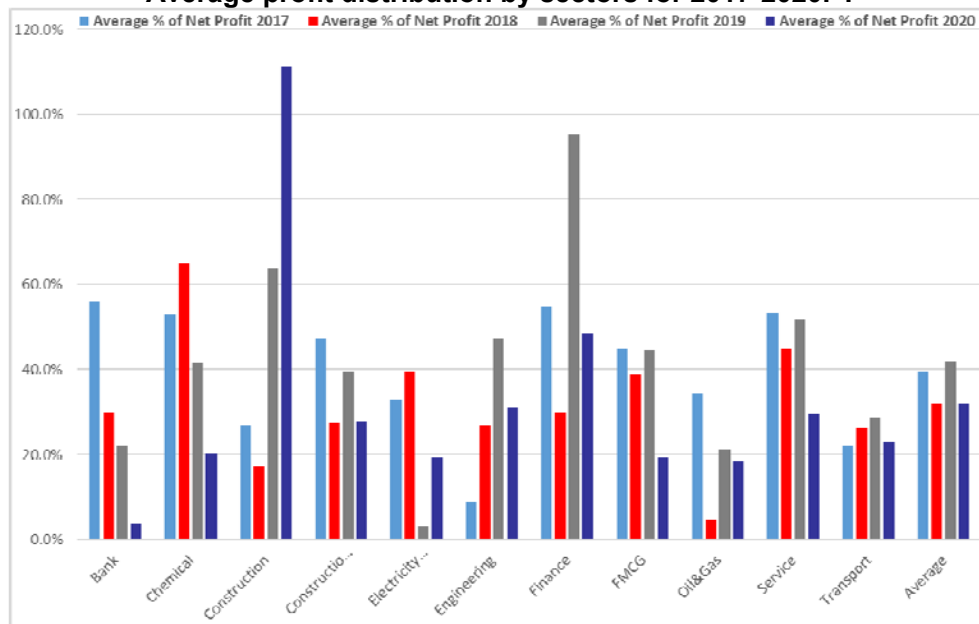
These 143 companies were divided to 11 groups by sectors of economy. Average profit distribution rate for dividends estimated at about 32.1% for the profits of 2020FY, comparing to 41.8% for 2019FY.

One of the lowest distribution rates is in banking sector – only about 3.6%. Particularly, among 14 banks only OFB paid sufficient dividends. High loan portfolio growth rates and tough CAR requirements of the Central Bank of the Republic of Uzbekistan usually keeps bank away from distributing dividends.

The highest distribution is observed in construction sector - about 111.2%, including distribution of retained profits of previous years. The sector consists of 6 companies out of which JSC “Buxorogazsanoati” distributed record high dividends of 460% of the net profit. Excluding this company average distribution is normalized at 41,3%.

Also sufficient profit distribution is observed in finance – 48.4% and engineering – 31.1%. Finance sector consists of 4 segments such as commodity exchange with 87%, insurance with 38.8%, leasing segment with 37.5% profit distribution and Stock exchange 70.3%. Engineering sector also consisted of 4 segments, such as equipment producers with 25%, oil and gas servicing with 49.3%, water pumps production with 4.4% and repair and equipment producer with close to 0% profit distribution.

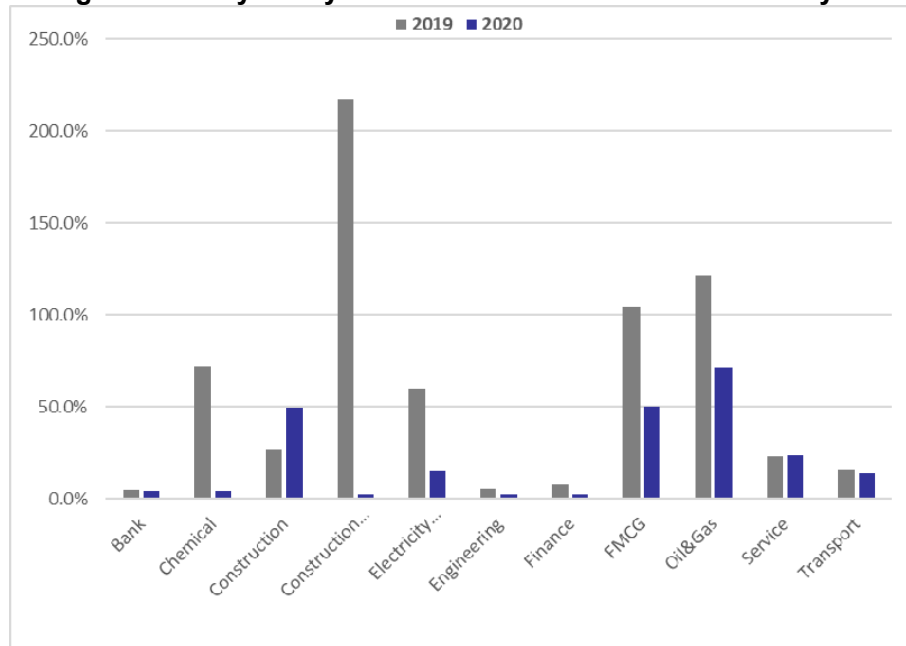
**Average profit distribution by sectors for 2017-2020FY**



Source: Single portal of corporate information, Calculations: Avesta Investment Group

Since some of the companies are not publicly listed, we used the par-values to calculate the dividends yield, so the actual figures seem a bit higher, especially in sectoral structure, while excluding the companies without market quotes, real average dividends yield reach 12% against 15.1% in 2019FY.

### Average dividend yield by sectors in 2019 and 2020 for ordinary shares



Source: Single portal of corporate information, Calculations: Avesta Investment Group

Average dividend yield on ordinary shares by all companies reached 21.8% against 59.8% for 2019. Above mentioned sectors such as construction, oil&gas and FMCG are the main drivers of dividends yield high results.

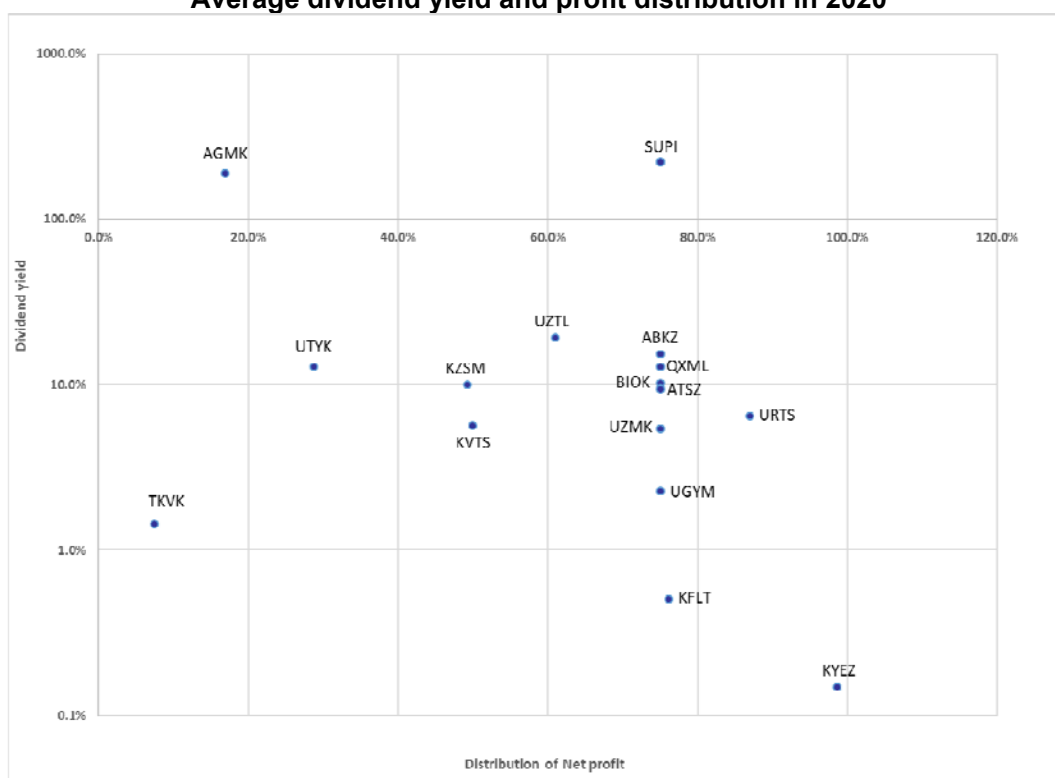
By sectors of economy oil&gas industry is leading with 71.1% dividend yield due to high results of the SUPI 221.4%, JSC "Muborakneftgazmontaj" 164.2% and JSC "Samarqand Burg'u asboblari" 105.4%. Construction sector is the second highest in terms of dividend yield - 49.6%.

FMCG segment registered a sufficient decrease in return, mostly due to bad financial results of flour-milling and vegetable oil production companies, due to liberalization of economy and structural shifts in their business models – raw materials distribution, which was previously centralized, turned to market conditions and private producers got the access to cotton seeds and wheat sales, which is turned into sufficient price growth for these types of materials.

Overall 32 companies stopped paying dividend while 27 resumed paying dividends in 2020 comparing to 2019.

In the graph can be seen the map of the top traded companies on RSE with a stable distribution of profit for dividends. Excluding AGMK and SUPI, the average dividend yield equals about 8.5% for most traded entities. The average price increase for the securities in the map is estimated by about 38.7%. Thus the total gain from these entities equaled 47.2% on average including price increase and dividend yield.

### Average dividend yield and profit distribution in 2020



Source: Single portal of corporate information, Calculations: Avesta Investment Group

**Average dividend yield by sectors**

	Average % of Net Profit 2019	Average % of Net Profit 2020	Max % of Net Profit 2019	Max % of Net Profit 2020	Average Dividend yield, % 2019, ord	Average Dividend yield, % 2019, prf	Average Dividend yield, % 2020, ord	Average Dividend yield, % 2020, prf	Max Dividend yield, % 2019, ord	Max Dividend yield, % 2019, prf	Max Dividend yield, % 2020, ord	Max Dividend yield, % 2020, prf
<b>Bank</b>	<b>22.1%</b>	<b>3.6%</b>	<b>185.3%</b>	<b>47.9%</b>	<b>4.7%</b>	<b>8.3%</b>	<b>4.4%</b>	<b>8.0%</b>	<b>38.9%</b>	<b>30.0%</b>	<b>61.0%</b>	<b>30.0%</b>
<b>Chemical</b>	<b>41.5%</b>	<b>20.4%</b>	<b>85.0%</b>	<b>75.0%</b>	<b>72.1%</b>		<b>4.5%</b>	<b>0.0%</b>	<b>393.0%</b>	<b>0.0%</b>	<b>15.4%</b>	<b>0.0%</b>
<i>Distribution</i>	16.8%	8.5%	30.0%	33.8%	5.0%		3.2%	0.0%	7.9%	0.0%	12.9%	0.0%
<i>Fertilizers</i>	60.0%	30.0%	85.0%	75.0%	139.2%		5.4%	0.0%	393.0%	0.0%	15.4%	0.0%
<b>Construction</b>	<b>63.8%</b>	<b>111.2%</b>	<b>191.1%</b>	<b>460.8%</b>	<b>26.4%</b>	<b>0.0%</b>	<b>49.6%</b>	<b>2.1%</b>	<b>47.3%</b>	<b>0.0%</b>	<b>154.4%</b>	<b>10.7%</b>
<b>Construction materials</b>	<b>39.3%</b>	<b>33.3%</b>	<b>76.9%</b>	<b>75.0%</b>	<b>217.4%</b>	<b>8.3%</b>	<b>2.5%</b>	<b>3.7%</b>	<b>1903.9%</b>	<b>25.0%</b>	<b>10.0%</b>	<b>25.0%</b>
<i>Cement</i>	38.0%	12.3%	76.9%	49.2%	481.2%	8.3%	2.5%	6.4%	1903.9%	25.0%	10.0%	25.0%
<i>Glass and bottles producer</i>	50.0%	50.0%	50.0%	50.0%	3.5%		5.7%	0.0%	3.5%	0.0%	5.7%	0.0%
<b>Electricity distribution</b>	<b>3.1%</b>	<b>19.4%</b>	<b>6.3%</b>	<b>58.1%</b>	<b>59.8%</b>	<b>8.3%</b>	<b>15.0%</b>	<b>25.0%</b>	<b>59.8%</b>	<b>25.0%</b>	<b>44.9%</b>	<b>50.1%</b>
<b>Engineering</b>	<b>47.5%</b>	<b>31.1%</b>	<b>90.5%</b>	<b>75.0%</b>	<b>5.2%</b>	<b>28.2%</b>	<b>2.3%</b>	<b>7.9%</b>	<b>21.1%</b>	<b>30.0%</b>	<b>9.4%</b>	<b>30.0%</b>
<i>Equipment</i>	90.5%	25.0%	90.5%	75.0%	1.8%	30.0%	3.4%	15.8%	3.6%	30.0%	9.4%	30.0%
<i>Oil&amp;Gas equipment</i>	85.0%	49.3%	85.0%	49.3%	1.4%		0.4%	0.0%	1.4%	0.0%	0.4%	0.0%
<i>Water pumps</i>	14.6%	4.4%	14.6%	4.4%	21.1%	26.3%	19.8%	26.3%	21.1%	26.3%	19.8%	26.3%
<b>Finance</b>	<b>95.4%</b>	<b>48.4%</b>	<b>254.1%</b>	<b>87.0%</b>	<b>7.7%</b>	<b>26.4%</b>	<b>2.4%</b>	<b>14.7%</b>	<b>15.6%</b>	<b>70.0%</b>	<b>12.8%</b>	<b>70.0%</b>
<i>Commodity Exchange</i>	76.0%	87.0%	76.0%	87.0%	15.6%		6.5%	0.0%	15.6%	0.0%	6.5%	0.0%
<i>Insurance</i>	101.4%	38.8%	254.1%	78.6%	5.0%	26.7%	0.1%	21.4%	12.0%	70.0%	0.5%	70.0%
<i>Leasing</i>	85.1%	37.5%	85.1%	75.0%	10.1%	25.0%	6.4%	12.5%	11.7%	25.0%	12.8%	25.0%
<i>Stock Exchange</i>		70.3%	0.0%	70.3%	8.6%		1.4%	0.0%	8.6%	0.0%	1.4%	0.0%
<b>FMCG</b>	<b>44.7%</b>	<b>20.5%</b>	<b>588.7%</b>	<b>98.6%</b>	<b>104.2%</b>		<b>50.0%</b>	<b>32.1%</b>	<b>629.5%</b>		<b>499.5%</b>	<b>402.0%</b>
<i>Alcohol&amp;Soft Drinks</i>	46.4%	30.2%	85.0%	71.7%	40.1%	30.9%	34.6%	19.8%	100.1%	99.5%	111.5%	108.5%
<i>Flour-milling</i>	18.2%	14.2%	33.1%	56.2%	172.8%		93.1%	54.9%	629.5%		499.5%	402.0%
<i>Vegetable Oil</i>	51.1%	23.0%	85.4%	98.6%	52.2%	47.8%	3.6%	7.2%	312.0%	209.0%	35.0%	35.0%
<b>Oil&amp;Gas</b>	<b>21.2%</b>	<b>18.5%</b>	<b>85.0%</b>	<b>75.0%</b>	<b>121.4%</b>	<b>180.7%</b>	<b>71.1%</b>	<b>6.5%</b>	<b>361.3%</b>	<b>361.3%</b>	<b>221.4%</b>	<b>25.0%</b>
<i>Drilling</i>	42.5%	55.6%	85.0%	75.0%	361.3%	180.7%	82.7%	10.9%	361.3%	361.3%	221.4%	25.0%
<b>Service</b>	<b>52.1%</b>	<b>29.6%</b>	<b>92.6%</b>	<b>85.1%</b>	<b>23.4%</b>	<b>6.4%</b>	<b>23.8%</b>	<b>3.1%</b>	<b>62.5%</b>	<b>14.3%</b>	<b>190.9%</b>	<b>41.7%</b>
<i>Business center</i>	54.0%	75.0%	54.0%	75.0%	22.3%		31.2%	0.0%	22.3%	0.0%	31.2%	0.0%
<i>Expertize and certification</i>	85.0%	75.0%	85.0%	75.0%	40.4%		46.4%	0.0%	40.4%	0.0%	46.4%	0.0%
<i>Geological survey</i>	65.3%	18.4%	65.3%	18.4%	62.5%	14.3%	0.0%	41.7%	62.5%	14.3%	0.0%	41.7%
<i>Trade</i>	57.9%	41.1%	85.2%	85.1%	18.7%		47.7%	0.0%	30.2%	0.0%	190.9%	0.0%
<b>Transport</b>	<b>28.6%</b>	<b>23.0%</b>	<b>50.0%</b>	<b>61.0%</b>	<b>15.4%</b>	<b>52.6%</b>	<b>13.7%</b>	<b>9.3%</b>	<b>52.6%</b>	<b>52.6%</b>	<b>55.6%</b>	<b>55.6%</b>
<i>Container operator</i>	6.5%	28.7%	6.5%	28.7%	8.6%		12.9%	0.0%	8.6%	0.0%	12.9%	0.0%
<b>Average</b>	<b>41.8%</b>	<b>32.6%</b>	<b>95.4%</b>	<b>460.8%</b>	<b>59.8%</b>	<b>35.5%</b>	<b>21.8%</b>	<b>10.2%</b>	<b>217.4%</b>	<b>180.7%</b>	<b>32.1%</b>	<b>51571.9%</b>

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