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Abstract. This article presents a comprehensive empirical analysis of the financial stability, economic performance, and transformational development trends of Uzbekneftegaz JSC. The relevance of the study is determined by the company's critical role not only in ensuring Uzbekistan's energy security, but also in maintaining national fiscal stability, supporting industrial development, and influencing the country's external trade balance. In recent years, a series of structural reforms implemented within the company-including optimization of the asset portfolio and management system, enhancement of financial reporting in compliance with International Financial Reporting Standards, acceleration of access to capital markets, and expansion of investment programs-have generated complex and multidimensional changes in its economic performance. The study provides an analytical assessment of these transformations and identifies key factors shaping the financial sustainability and long-term development trajectory of Uzbekneftegaz JSC under conditions of ongoing economic and institutional reforms.

INTRODUCTION

The oil and gas sector of Uzbekistan plays a decisive role in shaping state revenues, ensuring the stability of the foreign trade balance, and enhancing the value-added potential of industrial production. Within this sector, Uzbekneftegaz JSC, as the largest and leading entity, represents a vertically integrated system encompassing hydrocarbon extraction, processing, transportation, and sales, thereby constituting one of the strategic pillars of the national economy. In recent years, increasing volatility in global energy markets, unstable hydrocarbon price dynamics, rising domestic demand, and the natural depletion of resource reserves have necessitated new approaches and comprehensive transformations in managing the company's financial stability.

During the period 2020–2023, Uzbekneftegaz JSC experienced notable structural shifts in its financial performance. Despite an increase in production costs within the range of 18–22%, the expansion of refining capacities, diversification of exports, and growth in foreign currency revenues contributed to a positive trend in net profit generation. At the same time, the increasing complexity of the asset structure, rising investment volumes, and expansion of the credit portfolio require an in-depth assessment of key financial stability indicators.

The relevance of this study lies in conducting a systematic analysis of the economic and financial performance of Uzbekneftegaz JSC, identifying the core indicators of financial stability, and examining their development trends in order to substantiate strategic directions for the company's long-term sustainable development.

EXPERIMENTAL RESEARCH

In recent years, Uzbekneftegaz JSC has intensified its transformation processes, placing particular emphasis on restructuring its asset portfolio, strengthening consolidated financial reporting in compliance with IFRS requirements, accelerating access to capital markets, and expanding large-scale investment programs. The consolidated financial statements for 2022–2023 provide an empirical basis for assessing the impact of these reforms on the company's financial performance. In 2023, total sales and other revenues amounted to 30,148 billion UZS, compared to 28,215 billion UZS in 2022, reflecting a nominal growth of 6.8%. This increase was primarily driven by positive revenue dynamics in the gas processing and retail segments.

At the same time, net profit declined sharply, decreasing from 2,853 billion UZS in 2022 to 628 billion UZS in 2023. The significant contraction in profit margins was influenced by exchange rate fluctuations, increased financing costs, and operational pressures in certain business segments.

In the oil and gas industry, the efficient management of economic resources constitutes a fundamental determinant of financial stability. The structure and dynamics of Uzbekneftegaz JSC's assets during the period 2019–2024 reflect the company's investment capacity, material base, and trends in the development of its production infrastructure [2]. According to the table data, changes in the composition of corporate assets over the analyzed five-year period were shaped not only by internal economic factors but also by external market conditions and exchange rate movements. In this regard, asset analysis should be oriented not merely toward accounting indicators, but also toward qualitative characteristics of the company's material and financial resource provision.

TABLE 1. Analysis of the asset structure (Funds) of JSC "Uzbekneftegaz" for 2019–2024 (million UZS)

Assets of the company	Years					Change in 2024 compared to 2023 (thousand UZS)	Change in 2024 compared to 2023(%)
	2019	2020	2021	2022	2023		
Total assets	64,092.0	39,417.0	64,982.0	65,115.0	65,454.0	372.0	0.5
1. Non-current assets	54,880.0	30,188.0	45,586.0	51,610.0	54,931.0	5,054.0	11.3
2. Current assets	9,212.0	9,229.0	19,396.0	13,505.0	14,985.0	1,263.0	2.1
Total assets value of the enterprise	64,092.0	39,417.0	64,982.0	65,115.0	65,454.0	372.0	0.5

During the period 2019–2023, the total asset value of Uzbekneftegaz JSC increased from 64,092.0 million UZS to 65,454.0 million UZS. This represents a growth factor of 1.02, indicating a stable expansion of the company's asset base over the analyzed years. At the same time, compared to 2023, the total asset value in 2024 is projected to increase by 372.0 million UZS, or 0.5%. This growth is primarily driven by a substantial increase in long-term assets, which rose by 11.3%. Such dynamics reflect the effectiveness of Uzbekneftegaz JSC's strategic focus on capital construction, project-based investments, and technological modernization.

According to the table data, in 2023 long-term assets amounted to 54,931.0 million UZS and occupied a dominant position in the overall asset structure. This, in turn, indicates a high level of investment activity directed toward the modernization of oil and gas extraction, processing, and transportation infrastructure. Current assets totaled 14,985.0 million UZS, and their projected growth of 2.1% in 2024 reflects the company's effective policy aimed at improving working capital turnover and maintaining liquidity. This trend demonstrates a balanced approach to resource management: long-term investments ensure strategic stability, while current assets guarantee the company's short-term solvency.

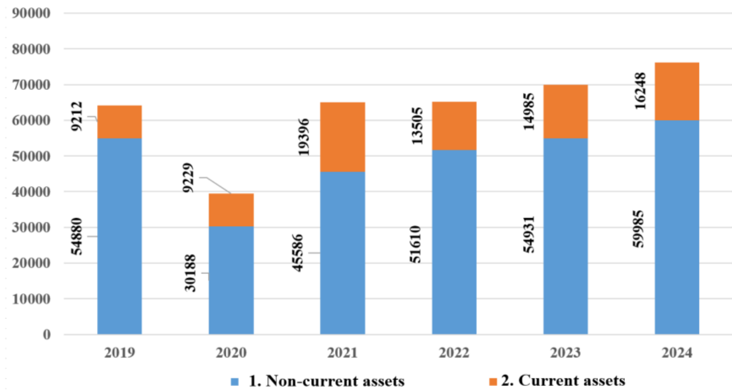

FIGURE 1. Analysis of the Asset Structure (Funds) of JSC "Uzbekneftegaz" for 2019–2024 (million UZS)

The results of the analysis indicate that a process of capital reallocation toward technological factors is underway in the asset structure of JSC "Uzbekneftegaz." In particular, the company is implementing its financial strategy through the modernization of the resource support system and alignment with ESG principles. This approach ensures not only quantitative growth in the value of property and assets, but also their qualitative development. The transformation is reflected not merely in the increasing share of fixed assets, but also in the capitalization of intangible assets, including technologies, licenses, and project engineering solutions [].

In conclusion, the analysis of JSC "Uzbekneftegaz" assets for the period 2019–2024 demonstrates a clear trend toward diversification of economic resources, balanced development of the capital structure, and improved efficiency in the utilization of fixed assets. These trends contribute to strengthening the company's financial stability, enhancing rational resource management, and preserving production capacity in the long-term perspective.

The liabilities of an enterprise represent the sources of its financial resources and reflect the key directions of its financing strategy. They consist of equity and liabilities, thereby determining both the internal capacity for financial stability (development based on own capital) and external financing opportunities (funding through borrowed resources). In the case of Uzbekneftegaz JSC, an analysis of liability dynamics makes it possible to assess how the company's economic resource base has been restructured since 2020. This, in turn, provides insights into changes in the balance between equity and borrowed capital, the evolution of the company's financial leverage, and the sustainability of its long-term development strategy.

TABLE 2. Analysis of liabilities (sources of funds) of "Uzbekneftegaz" JSC for 2019–2024 (million UZS)[1].

Liabilities of the enterprise	Years					Change in 2024 compared to 2023 (million UZS)	Change in 2024 compared to 2023 (%)
	2019	2020	2021	2022	2023		
Total sources of funds	64,092.0	55,619.0	64,981.0	65,115.0	65,487.0	525.0	0.9
1. Equity capital	31,257.0	21,203.0	34,169.0	46,763.0	48,652.0	2,705.0	9.8
2. Liabilities of "Uzbekneftegaz" JSC	32,835.0	18,213.0	30,812.0	18,352.0	17,852.0	-1,528.0	-5.2

During the period 2019–2024, the total financial sources (liabilities) of JSC "Uzbekneftegaz" increased from 64,092.2 billion UZS to 65,647.8 billion UZS by 2024, corresponding to an average growth rate of 0.9%. This dynamic does not indicate a decline, but rather reflects the preservation of a stable core capital base. At the same time, the reduction in the share of liabilities after the peak level observed in 2020 (65.2 trillion UZS) demonstrates a positive trend aimed at decreasing debt pressure, which can be interpreted as a result of a deliberate financial stabilization strategy.

According to the analytical data, the company's equity capital amounted to 31,257.7 billion UZS in 2019 and increased to 48,652.0 billion UZS by 2024, reflecting a growth rate of 9.8%. This indicates a strengthening of the company's ability to finance its activities through internal resources. In terms of the Internal Financial Resilience Ratio (IFR), the growing share of stable financing sources (equity capital) has reduced dependence on borrowed funds. This trend enhances the capitalization level of the enterprise and reflects the reinvestment of retained earnings as a key driver of financial stability.

Over the period 2020–2024, the liabilities (debt resources) of JSC "Uzbekneftegaz" declined from 32,835.0 billion UZS to 17,852.0 billion UZS, corresponding to a decrease of 5.2%. This represents a positive financial outcome, confirming the effectiveness of the company's debt portfolio optimization policy. At the same time, improvements in the Debt Service Coverage Ratio (DSCR) and the Interest Coverage Ratio (ICR) are expected, as the reduction in debt obligations alleviates liquidity pressure and contributes to higher profitability.

RESEARCH RESULTS

Overall, the dynamics of the company's liabilities indicate that the core focus of financial management has been placed on reducing debt burden and strengthening the equity base. Such changes contribute to a decrease in the weighted average cost of capital (WACC), as the declining share of debt financing optimizes overall capital costs. In this manner, the management architecture of JSC "Uzbekneftegaz" maintains a balanced relationship between

[1] Author's compilation based on the balance sheet (Form No. 1) of Uzbekneftegaz JSC.

resource allocation and debt management, thereby forming a development trajectory aligned with the principles of long-term financial sustainability.

The production potential of an enterprise reflects the degree of optimal allocation of material and financial resources, the efficiency of fixed asset utilization, and the level of investment activity. This indicator not only characterizes internal drivers of economic growth but also serves as a fundamental factor in ensuring financial stability. For JSC "Uzbekneftegaz," changes in the structure of production potential during the period 2020–2023 were manifested not only in quantitative indicators but also in improvements in structural efficiency.

TABLE 3. Analysis of production potential of JSC "Uzbekneftegaz" (2020–2023) (million UZS)

Indicators	2020	share, %	2021	share, %	2022	share, %	2023	share, %
Fixed assets	26,374.0	40.2	24,713.0	38.0	27,537.0	42.3	28,426.0	44.1
Short-term investments (030)	30,180.0	46.0	14,217.0	21.9	14,253.0	21.9	14,442.0	22.1
Equipment to be installed (090)	403.0	0.6	268.0	0.4	261.0	0.4	302.0	0.5
Capital investments (100)	2,880.0	4.4	2,842.0	4.4	4,545.0	7.0	4,654.0	8.1
Inventories, total (140)	835.0	1.3	675.0	1.0	816.0	1.2	846.0	1.4
Production inventories (150)	766.0	1.2	606.0	0.9	747.0	1.2	764.0	1.3
Work in progress (160)	58.1	0.1	1.6	0.02	1.3	0.01	1.4	0.01
Production potential	**61,496.1**	**93.8**	**43,322.6**	**66.7**	**48,160.3**	**74.0**	**49,687.0**	**81.0**
Total assets of the enterprise	**65,569.0**	**100**	**64,982.0**	**100**	**65,115.0**	**100**	**66,012.0**	**100**

According to the data presented in Table 3, in 2020 the value of fixed assets amounted to 26,374.0 billion UZS, accounting for 40.2% of the company's total assets. By 2023, this indicator increased to 28,426.0 billion UZS, while its share rose to 44.1%. This positive dynamics is primarily associated with the implementation of modernization programs by "Uzbekneftegaz" JSC, including projects such as Shurtan Gas Chemical Complex–2 and the Gas Processing Administration, which aimed at upgrading fixed assets and improving production efficiency. The increase in the share of fixed assets by approximately 4 percentage points reflects a strategic shift toward greater investment in tangible productive assets.

The volume of short-term investments declined significantly from 30,180.0 billion UZS in 2020 to 14,217.0 billion UZS in 2021, and subsequently stabilized at 14,442.0 billion UZS in 2023. This trend indicates not a deterioration of financial performance, but rather a strategic reallocation of financial resources toward long-term capital projects. In this context, the reduction in short-term investments reflects a deliberate transition toward enhancing long-term operational efficiency and sustainable asset development.

The value of inventories amounted to 835.0 billion UZS in 2020 and increased slightly to 846.0 billion UZS in 2023. Within this category, production inventories decreased marginally from 766.0 billion UZS to 764.0 billion UZS, demonstrating the implementation of an inventory optimization strategy. This trend represents a positive aspect of financial management, as excessive inventories tend to immobilize working capital, while maintaining optimal stock levels ensures production continuity and supply chain stability.

In 2020, the company's total production potential reached 61,496.1 billion UZS, while in 2023 it amounted to 49,687.0 billion UZS. The relative decline in this indicator is largely attributable to the redistribution of current assets in 2021 and reflects the adoption of a financial strategy focused on qualitative efficiency rather than quantitative expansion. In other words, the company transitioned to a model emphasizing higher productivity with optimized resource utilization. This shift indicates an improvement in production efficiency in qualitative terms.

Overall, the analysis demonstrates that during 2020–2023, the production potential of "Uzbekneftegaz" JSC followed a stable development trajectory driven primarily by investments in fixed assets and capital expenditures. Growth in fixed assets, optimization of short-term investments, and balanced inventory management collectively indicate that financial stability is increasingly being ensured through internal resources. This trend is further reflected in improved value-added performance, as asset profitability and capital efficiency exhibit positive dynamics.

Furthermore, an analysis of the financial indicators of "Uzbekneftegaz" JSC over the 2016–2023 period reveals key trends in the company's economic sustainability, profitability potential, and liquidity capacity. A multi-year assessment of financial stability enables not only the identification of existing tendencies but also an evaluation of the effectiveness of strategic management decisions. The presented indicators include return on assets (ROA), return on equity, overall solvency ratios, capital adequacy measures, and the balance between liabilities and assets, all of which collectively characterize the company's long-term financial resilience [4].

TABLE 4. Financial Stability and Profitability Indicators of "Uzbekneftegaz" JSC (2016–2023).

Indicator	2016	2017	2018	2019	2020	2021	2022	2023
Return on Assets (ROA)	0.23	0.98	0.32	0.71	0.86	0.65	0.52	0.41
Return on Authorized Capital	0.01	0.037	0.038	0.031	0.88	0.31	0.88	1.75
Overall Solvency Coverage Ratio	1.99	2.68	2.68	2.56	1.79	2.55	0.65	1.35
Absolute Liquidity Ratio	0.20	0.40	0.40	0.106	0.83	0.10	0.19	0.12
Ratio of Own Funds to Equity	0.50	0.90	0.93	1.46	4.51	1.51	0.62	1.44
Equity-to-Debt Ratio of the Issuer	0.50	2.67	2.67	4.51	0.22	1.55	1.29	0.70
Debt Ratio (Total Liabilities/Total Assets), %	51.8	43.92	46.21	47.42	28.18	23.58	22.8	20.3

Return on assets (ROA) amounted to 0.23% in 2016, increased to 0.71% in 2019, and subsequently declined to 0.34% in 2023. This trend may be attributed to a decrease in the efficiency of asset utilization, particularly due to the relatively low turnover of working capital. At the same time, the return on authorized capital increased significantly over the period 2016–2023, rising from 0.01 to 0.88, which indicates a substantial strengthening of the company's internal capital potential.

The overall solvency coverage ratio stood at 1.99 in 2016, increased to 2.55 by 2020, and later stabilized at 1.35 in 2023. This demonstrates that Uzbekneftegaz JSC has maintained a sufficiently high capacity to meet its obligations through current assets. Meanwhile, the absolute liquidity ratio decreased from 0.20 in 2016 to 0.12 in 2023, reflecting the reallocation of a portion of liquid assets into the production cycle. This indicates increased financial activity and a stronger orientation of cash flows toward operational and production processes.

The ratio of own funds to equity capital increased from 0.50 in 2016 to 0.74 in 2023, signaling an improvement in financial independence and a reduction in reliance on external borrowing. In parallel, the equity-to-debt ratio declined from 2.67 in 2017 to 0.70 in 2023, confirming a decrease in the share of borrowed funds within the overall capital structure and the consolidation of equity as the primary financial foundation. This shift contributes to a reduction in the weighted average cost of capital (WACC), as the declining share of debt optimizes capital costs.

The debt-to-assets ratio decreased substantially from 51.8% in 2016 to 20.3% in 2023, indicating a marked improvement in financial stability. This trend reflects a significantly enhanced ability of Uzbekneftegaz JSC to cover liabilities through its asset base.

Overall, during 2016–2023, Uzbekneftegaz JSC demonstrated a stable upward trajectory in profitability and capital efficiency indicators. The sustained level of solvency, the increasing share of own funds, and the declining debt burden collectively strengthened the company's internal financial resilience. These results suggest that the company's financial management strategy has been effectively implemented with a focus on diversification, innovation, and risk minimization, thereby supporting a model of long-term sustainable development.

CONCLUSIONS

An empirical analysis based on the consolidated financial statements of JSC "Uzbekneftegaz" for 2022–2023 indicates that the company has entered an active phase of transformation, focusing on optimizing its asset portfolio, strengthening financial reporting in compliance with IFRS requirements, accessing capital markets, and expanding its investment programs in order to reinforce its institutional and production capacity. In 2023, the 6.8% increase in sales and other operating revenues (to UZS 30,148 billion), alongside a 54% expansion in capital expenditures (to UZS 10,727 billion), confirms the intensification of the company's modernization and capacity expansion strategy. At the same time, growth in total assets and equity suggests that balance sheet stability has been preserved to a certain extent despite large-scale investment activity.

However, against the backdrop of rising revenues, the sharp decline in net profit by 78% (to UZS 628 billion) and the contraction of the net profit margin from 10.1% to 2.1% reveal increasing pressure on the company's financial sustainability. These dynamics primarily reflect the impact of foreign exchange losses, rising debt servicing costs, and insufficient operational efficiency in certain business segments. The pronounced divergence in segment-level net results highlights the need for portfolio rebalancing, identification of value-chain loss points, and strengthening of risk management practices. Consequently, in the medium term, enhancing financial stability will require improvements in hedging policies, optimization of financing costs, expansion of high value-added processing activities, and the generation of stable cash flows from associated and integrated assets, which should remain key strategic priorities for the company.

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