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Telekom Srbija raises \$900mn in landmark bond issuance



Telekom Srbija's bond sale attracted significant interest from global investors, with demand reaching almost \$1bn within the first hour of trading. / Telekom Srbija

By Tatyana Kekic in Belgrade October 22, 2024

Telekom Srbija raises \$900mn in landmark bond issuance has raised \$900mn (€831mn) through the issuance of corporate Eurobonds on the Dublin Stock Exchange, the state-owned operator announced on October 22.

This is the first time a company from the Western Balkans has entered the international financial markets via a Eurobond issuance. "We are extremely satisfied with the impression our company left on the international market, bearing in mind that Telekom Srbija is the first company from Serbia whose bonds are listed on the international stock exchange." CEO Vladimir Lucic said.

The five-year bonds carry an annual interest rate of 7% in dollars (approximately 5.9% after conversion to euros). Telekom Srbija plans to use the proceeds to refinance its existing debt.

The successful issuance underscores strong investor confidence in the telecom giant. The bond sale attracted significant interest from global investors, with demand reaching almost \$1bn within the first hour of trading.

Telekom Srbija received a preliminary 'BB-' rating for the bonds from S&P Global Ratings, with a stable outlook, while Fitch assigned a B+ rating with a positive outlook.

This is the second major bond issuance for Telekom Srbija, following a 2020 domestic sale of five-year corporate bonds worth RSD23.5bn (€200mn). The latest issuance is expected to pave the way for other Serbian and regional companies to enter international financial markets.

Advisers to Telekom Srbija on the Eurobond issuance were BNP Paribas, Bank of America, Deutsche Bank, Erste Group, Raiffeisen bank, UniCredit and MUFG, the telco said.

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