

**Market Update**

**Equity**

Wednesday (Apr 2) was relatively quiet for Kyiv-listed stocks after two previous sessions of strong gains to open the week, although the local benchmark was still volatile enough to trade both higher and lower by 1% intraday before ending down by a single tick (one-tenth of a percent) at 1076 points. Meanwhile, the S&P 500 edged further into all-time high territory on a 0.3% gain that put it within easy striking distance of the 1900 level. Ukraine's blue chips were mixed, with Raiffeisen Aval correcting by 2.2% after jumping 17% on Monday and Tuesday thanks to dividend rumors. Yenakievo Steel was also in the loss column, giving up 1.4%, while on the upside, UkrNafta picked up a further 2.1% and Azovstal added 1.6% to 73.90 kopecks. Top liquid issues Motor Sich and CentrEnergO both finished nearly unchanged. In Warsaw, agro issues Ovostar and Milkiland appreciated by 2.3% and 8.7% respectively, with the former ending at PLN 76.75.

**Fixed Income**

Ukrainian sovereigns were sluggish on Wednesday with Ukraine-23s inching down by 0.1p.p. closing at 93.4/97.9 (8.6%/7.8%). Meanwhile, corporate names were mostly up. MHP-15s and UkrLandfarming-18s advanced by 4.5p.p. and 3.7p.p. finishing at 98.4/99.5 (13.7%/12.3%) and 84.0/87.0 (16.5%/15.4%), respectively.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
CentrenergO	CEEN	5.39	-0.2%	3.3	119
Ukrnafta	UNAF	232.20	2.1%	1.2	135
Khartsyzk Pipe	HRTR	0.800	12.7%	0.7	32

**Growth Leaders**

Khartsyzk Pipe	HRTR	0.80	12.7%	0.66	32
Ukrnafta	UNAF	232.20	2.1%	1.24	135
Azovstal	AZST	0.74	1.7%	0.03	20

**Loss Leaders**

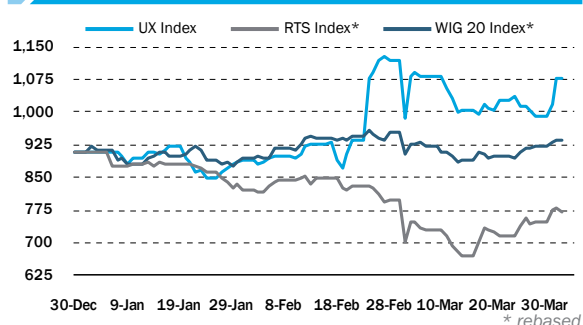
Komsomolets Donbasa	SHKD	0.88	-2.8%	0.087	7
Kryukiv Wagon	KVBZ	17.05	-2.2%	0.044	8
Raiffeisen Bank Aval	BAVL	0.17	-2.2%	0.438	75

**Highlights**

**STOCKS IN THE NEWS**

- > MHP Postpones Dividend Announcement Until May

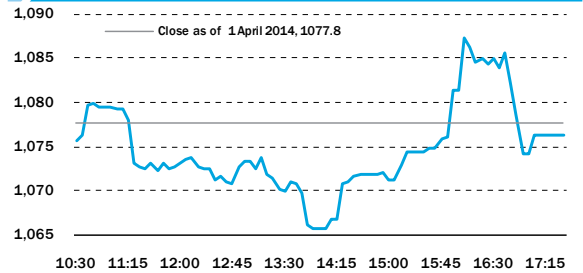
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	1076.2	-0.1%	-3.8%	18.3%
RTS	1222.5	-1.1%	-3.5%	-15.3%
WIG20	2473.5	0.4%	-1.8%	3.0%
MSCI EM	1005.0	0.4%	4.0%	0.3%
S&P 500	1890.9	0.3%	1.7%	2.7%

**UX INTRADAY APRIL 2, 2014**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	315.0	-0.7%	-8.5%	-4.8%
CDS 5Y UKR	890.1	0.0%	-13.8%	8.5%
Ukraine-17	8.9%	0.0 p.p.	-1.3 p.p.	-0.1 p.p.
Naftogaz Ukr-14	19.7%	-0.2 p.p.	-9.9 p.p.	10.9 p.p.
Ukraine-23	8.2%	0.0 p.p.	-1.2 p.p.	0.7 p.p.
Privatbank-16	26.6%	-0.9 p.p.	2.1 p.p.	2.0 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	11.35	0.0%	14.0%	37.7%
EUR	15.62	-0.2%	13.7%	37.4%
RUB	0.32	-1.1%	16.2%	27.4%

**COMMODITIES**

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	293.4	0.0%	5.5%	2.1%
Steel, USD/t	510.0	0.0%	-3.8%	-5.1%
Oil, USD/bbl	104.8	-0.8%	-3.5%	-5.8%
Gold, USD/oz	1289.9	0.9%	-2.8%	7.8%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## MHP Postpones Dividend Announcement Until May

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### MHP S.A. (MHPS LI)

Price: USD 13.40 Market Cap: USD 1,728mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.7	8.7	6.5	2%
2014E	1.6	5.3	4.7	2%

## NEWS

London-listed MHP, Ukraine's largest poultry producer, reported a drop in earnings for FY13 compared to FY12, according to the company's release on Wednesday (Apr 2). Full-year EBITDA fell by 16% YoY to USD 391mn, as a 19% YoY increase in poultry sales volume was not able to offset a 3% YoY rise in poultry production cost, a 7% decline in the realized poultry price, and a sharp 65% decrease in the grain segment EBITDA result (to USD 39mn vs. USD 112mn last year). Lower EBITDA coupled with a 57% increase in financing costs and a 37% hike in depreciation due to the launch of the brand-new Vinnytsia complex in late 2012 led to a 48% YoY decline in net income to USD 162mn.

In 4Q13 alone, MHP's EBITDA dropped by 15% YoY to USD 74mn. While sluggish prices for grain in 4Q led to a 16% YoY increase in poultry and related segment EBITDA, this was not enough to compensate for negative EBITDA in the agro segment of USD 23mn (vs. USD +7mn in 4Q12). Net debt as of end-2013 increased by 14% YoY to USD 1.30bn, translating into a net debt/EBITDA ratio of 2.89x, i.e. just below MHP's Eurobond covenant of 3.0x. CapEx in 2013 declined by 32% to USD 264mn.

The company said it will declare a dividend in May, with the size of the payout to reflect profits earned in FY13 as well as the FY14 outlook. Management noted robust growth of 20% YoY in domestic poultry consumption over 1Q14, boding well for the group's target to operate at 100% capacity use of the 1st phase of its Vinnytsia complex (220,000 tonnes) this year. Assets in Crimea (which generated 9% of EBIT in 2013) are operating normally, according to management.

### MHP: FINANCIAL RESULTS

USD mn	2013	2012	YoY	4Q13	4Q12	YoY
Net Revenue	1,408	1,496	6%	418	364	15%
EBITDA	391	468	-16%	74	88	-15%
EBITDA margin %	26%	33%	-7pp	18%	24%	-6pp
Net Income	162	311	-48%	13	30	-58%
Net margin %	11%	22%	-11pp	3%	8%	-5pp

Source: Company data, Eavex Research

## COMMENTARY

MHP's earnings came in lower than our expectation, with EBITDA lower by 5% vs. our forecast of USD 413mn mainly due to the worse-than-expected result of the grain segment. While the 37% devaluation of the Ukrainian hryvnya in 1Q14 should slightly help the company's operating results, it also will result in major (non-cash) losses from revaluation of monetary balance sheet items of around USD 350mn, which will put immense pressure on the company's FY14 bottom line. Although the postponing of the dividend declaration until May is somewhat surprising, we see two reasons for the move. First, the company intends to take some time to observe the political situation in Ukraine heading into the presidential election scheduled for May 25, as well as the course of events in Crimea, which looks to be firmly under Russian control. Secondly, in May MHP is due to report its 1Q14 financials, reflecting the above-mentioned large loss from its FX revaluation. The adverse effect from this news could be mitigated by a simultaneous dividend announcement. While we maintain a positive stance on the MHPC stock, we intend to revise our projections for the company and are thus placing our recommendation under review.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.74	0.56	-25%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	158.1	125.0	-21%	SELL	Ferrexpo's lower production cost due to UAH devaluation in 2014 together with a 8% increase in output will not be sufficient to offset a projected 13% drop in the group's achieved iron ore pricing.
Pivnichny GOK	SGOK	8.00	U/R	na	U/R	On its EGM on 14 Feb 2014, SGOK's shareholders approved additional issue of 14.75mn of new shares implying 0.64% of the company's share capital.
Centralny GOK	CGOK	8.99	U/R	na	U/R	On its EGM on 19 Feb 2014, CGOK's shareholders made a decision on additional issue of 14.73mn of new shares implying 1.26% of the company's share capital.
<b>Coke</b>						
Avdyivka Coke	AVDK	3.08	6.2	103%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.75	3.4	361%	U/R	Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.
<b>Coal</b>						
Pokrovske Mine	SHCHZ	0.50	2.9	489%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
<b>Railcar Manufacturing</b>						
Krukiv Wagon	KVBZ	17.1	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.60	5.2	227%	BUY	LuganskTeplovoz's incorporation into TransMashHolding should help it to exploit its already-dominant position on the Russian market for diesel locomotives.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	1702	5250	208%	BUY	Motor Sich should see its sales grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.
Turboatom	TATM	5.00	8.9	78%	BUY	We model Turboatom's revenue as increasing at 18% CAGR over 2012-2015. Deliveries of hydro and steam turbines to export markets will remain the company's key revenue drivers.
<b>Oil &amp; Gas</b>						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	10.8	42.0	291%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	60.6	370	510%	BUY	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	41.6	72.0	73%	BUY	DonbasEnergO is expected to pay a significant dividend from its FY13 profit that could amount to as much as UAH 5.0 per share, implying a dividend yield of 20%.
CenterEnergO	CEEN	5.39	15.00	178%	BUY	CenterEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
<b>Consumer</b>						
MHP	MHPC	13.4	U/R	--	U/R	
Astarta	AST	48.2	90.0	87%	BUY	Astarta's business leans on three pillars: sugar beet cultivation/processing, grain cultivation, and cattle farming. With sugar prices depressed since 2011, a favorable market for grain should continue to drive the company's profitability.
AvangardCo	AVGR	10.0	19.35	94%	BUY	A doubling of egg processing capacity to 6mn eggs/day in 1H13 with further expansion to 10mn in early 2014 bode well for the group's earnings due to 1) the higher profitability of the egg products (EP) segment vs. shell eggs and 2) the longer storage life of EP, which enables the company to retain its output for sale in periods of more favorable pricing. Still, the reported selling price for the company's shell eggs appears to be unjustifiably high. Even with financial quality concerns priced in, the stock looks cheap vs. its global peers.
Ovostar Union	OVO	76.7	109.50	43%	HOLD	The company is on its way to implementing a two-stage investment program aimed at expanding egg production capacity to 2.1bn pieces by 2017, or 3x more compared to FY12 production of 719mn eggs. Very low liquidity in the OVO stock is a major concern.
<b>Banks</b>						
Raiffeisen Bank Aval	BAVL	0.173	0.24	39%	BUY	We base our valuation on an assumption of the bank's fair value at 0.9x of its book value, the level at which Italian lender Intesa Sanpaolo sold its Ukrainian subsidiary in early 2014.

Source: Eavex Research

**PRICES AND QUOTES**

Name	Ticker	Today, UAH*	52 high, UAH*	52 low, UAH*	Absolute performance				Performance relative to the UX index			
					1d	1w	1m	ytd	1d	1w	1m	ytd
UX Index	UX	1076.21	1153.01	781.22	-0.1%	6.4%	-3.8%	18.3%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.037	0.06	0.02	-0.3%	3.9%	-13.8%	-4.9%	-0.1%	-2.4%	-9.9%	-23.2%
Azovstal	AZST	0.74	0.90	0.31	1.7%	8.8%	-5.6%	10.3%	1.8%	2.4%	-1.8%	-8.0%
Dniprospezstal	DNSS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enakievo Steel	ENMZ	35.0	52.0	20.0	-1.4%	1.8%	-5.8%	9.3%	-1.3%	-4.6%	-2.0%	-8.9%
Arcelor Mittal KR	KSTL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mariupol Ilyicha	MMKI	0.15	n/a	n/a	0.0%	7.1%	-16.7%	50.0%	0.1%	0.8%	-12.8%	31.7%
<b>Coke</b>												
Avdiyivka Coke	AVDK	3.08	4.80	1.60	-0.3%	6.4%	-4.4%	4.0%	-0.1%	0.0%	-0.5%	-14.3%
Yasnyivsky Coking	YASK	0.75	0.77	0.49	0.0%	17.2%	1.4%	41.5%	0.1%	10.8%	5.2%	23.2%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	8.99	n/a	n/a	1.0%	1.0%	-0.1%	38.3%	1.2%	-5.4%	3.7%	20.0%
Ferrexpo	FXPO	2.63	3.20	2.02	1.4%	5.6%	2.8%	-16.6%	1.6%	-0.8%	6.6%	-34.9%
Pivnichny GOK	SGOK	8.00	10.00	5.77	0.9%	-10.1%	-16.1%	0.0%	1.0%	-16.5%	-12.3%	-18.3%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.50	0.64	0.10	0.0%	6.4%	11.1%	25.0%	0.1%	0.0%	15.0%	6.7%
Komsomolets Donbasa	SHKD	0.88	n/a	n/a	-2.2%	-12.0%	-40.5%	41.9%	-2.1%	-18.4%	-36.7%	23.7%
Energy Coal	CLE	0.54	1.92	0.31	-2.5%	4.7%	-9.8%	56.0%	-2.3%	-1.7%	-6.0%	37.8%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.45	n/a	n/a	0.0%	n/a	n/a	-2.2%	0.1%	n/a	n/a	-20.4%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.80	0.80	0.30	12.7%	21.2%	29.0%	33.3%	12.8%	14.8%	32.9%	15.1%
Interpipe NMPP	NVTR	0.30	n/a	n/a	0.0%	0.0%	3.4%	42.9%	0.1%	-6.4%	7.3%	24.6%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	17.1	29.0	12.0	-2.3%	-6.8%	-22.5%	-1.4%	-2.1%	-13.2%	-18.7%	-19.7%
Luhanskeplovoz	LTPL	1.60	2.20	1.20	0.0%	0.0%	3.2%	6.7%	0.1%	-6.4%	7.1%	-11.6%
Stakhanov Wagon	SVGZ	1.20	n/a	n/a	0.0%	7.1%	-6.3%	-7.7%	0.1%	0.8%	-2.4%	-26.0%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.04	0.08	0.02	0.0%	-2.2%	25.0%	50.9%	0.1%	-8.6%	28.8%	32.7%
Motor Sich	MSICH	1,702	2,545	1,303	-0.2%	1.1%	-18.3%	-6.7%	-0.1%	-5.3%	-14.4%	-24.9%
Summy Frunze Engineering	SMASH	3.49	n/a	n/a	0.0%	0.0%	-10.5%	39.6%	0.1%	-6.4%	-6.7%	21.3%
Turboatom	TATM	2.80	n/a	n/a	27.3%	12.0%	-30.0%	-20.0%	27.4%	5.6%	-26.2%	-38.3%
WESTA ISIC	WES	0.18	0.26	0.13	-1.9%	8.0%	-22.6%	39.0%	-1.7%	1.6%	-18.8%	20.7%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.17	0.19	0.09	0.0%	11.8%	23.8%	57.5%	0.1%	5.4%	27.6%	39.3%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.18	0.41	0.17	-2.3%	2.8%	-9.0%	-15.1%	-2.2%	-3.6%	-5.2%	-33.3%
JKX Oil	JKX	1.01	1.21	0.75	-0.7%	0.2%	-2.0%	-14.9%	-0.5%	-6.2%	1.9%	-33.1%
Ukrnafta	UNAF	232	243	96	2.1%	14.4%	17.7%	113.8%	2.2%	8.0%	21.5%	95.6%
<b>Power Utilities</b>												
Centrenerg	CEEN	5.39	7.40	2.50	-0.1%	3.8%	-3.2%	13.1%	0.0%	-2.6%	0.6%	-5.1%
Donbasenergo	DOEN	41.6	43.0	15.4	0.5%	6.0%	2.6%	50.8%	0.7%	-0.4%	6.4%	32.6%
Zakhidenergo	ZAEN	127.0	134.0	64.0	0.0%	7.7%	0.0%	40.5%	0.1%	1.3%	3.8%	22.2%
<b>Consumer</b>												
Agroton	AGT	1.03	2.7	0.36	1.5%	5.3%	-41.8%	59.4%	1.6%	-1.1%	-38.0%	41.1%
Astarta	AST	15.9	24.4	12.1	7.0%	9.9%	-11.2%	-28.4%	7.2%	3.5%	-7.3%	-46.7%
Avangardo	AVGR	10.0	13.0	7.70	-2.4%	0.0%	0.1%	-14.9%	-2.3%	-6.4%	3.9%	-33.2%
Industrial Milk Company	IMC	2.97	5.14	2.49	1.9%	7.9%	-4.2%	-26.5%	2.1%	1.6%	-0.3%	-44.8%
Kernel	KER	10.3	19.1	7.6	0.5%	7.9%	-3.3%	-18.6%	0.7%	1.5%	0.5%	-36.9%
Mriya Agro Holding	MAYA	7.02	8.2	5.36	-0.2%	-9.1%	-13.1%	-5.8%	-0.1%	-15.5%	-9.3%	-24.0%
MHPC	MHPC	13.4	19.9	11.21	-0.7%	3.2%	-7.0%	-21.2%	-0.6%	-3.2%	-3.2%	-39.5%
Milkiland	MLK	2.84	4.7	2.22	8.6%	13.3%	-14.5%	-31.8%	8.7%	6.9%	-10.6%	-50.0%
Ovostar Union	OVO	25.3	33.3	19.4	2.2%	13.2%	7.5%	-23.8%	2.4%	6.8%	11.4%	-42.1%
Sintal	SNPS	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Chemicals</b>												
Stirol	STIR	12.1	n/a	n/a	0.0%	-5.8%	-13.9%	-3.5%	0.1%	-12.2%	-10.0%	-21.8%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.173	0.177	0.077	-2.2%	12.7%	9.3%	52.2%	-2.0%	6.3%	13.1%	33.9%
UkrSotsbank	USCB	0.173	0.257	0.113	4.0%	9.6%	-10.3%	-7.9%	4.1%	3.2%	-6.5%	-26.2%

Source: Bloomberg

\* companies listed abroad are in USD

**MAIN FINANCIAL FORECASTS, USD mn**

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E
<b>Steel</b>																
Alchevsk Steel	ALMK	1,783	1,729	1,730	-5	-62	-14	neg	neg	neg	-127	-214	-35	neg	neg	neg
Enakievo Steel	ENMZ	1,578	1,531	1,561	-84	22	33	neg	1.5%	2.1%	9	-185	-29	0.5%	neg	neg
Azovstal	AZST	2,814	1,926	1,976	-181	-31	35	neg	neg	1.8%	-333	-308	-24	neg	neg	neg
<b>Coke</b>																
Avdyivka Coke	AVDK	1,090	914	784	-112	47	29	neg	5.1%	3.8%	-137	-6	-24	neg	neg	neg
Yasynivsky Coking	YASK	432	367	333	27	29	19	6.4%	7.8%	5.7%	8	-3	5	1.9%	neg	1.4%
<b>Iron Ore Mining</b>																
Centralny GOK	CGOK	610	679	634	232	312	279	38.0%	46.0%	44.1%	95	194	163	15.6%	28.6%	25.7%
Pivnichny GOK	SGOK	1,416	1,630	1,506	750	914	816	53.0%	56.1%	54.2%	436	548	460	30.8%	33.7%	30.5%
Ferrexpo	FXPO	1,424	1,581	1,542	402	506	447	28.2%	32.0%	29.0%	216	264	198	15.1%	16.7%	12.8%
<b>Coal Mining</b>																
Komsomolets Donbasa	SHKD	273	220	234	125	92	94	45.9%	41.8%	40.1%	7	17	17	2.6%	7.6%	7.3%
Coal Energy	CLE	165	126	101	63	21	9	38.0%	16.8%	8.9%	38	-17	-24	23.2%	neg	neg
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	480	310	319	52	31	30	10.8%	10.1%	9.5%	34	5	5	7.0%	1.5%	1.5%
<b>Railcar Manufacturing</b>																
Luhanskteplovoz	LTPL	216	329	367	29	36	38	13.4%	10.8%	10.4%	5	19	23	2.2%	5.9%	6.1%
Kryukiv Wagon	KVBZ	891	424	274	135	65	44	15.2%	15.3%	15.9%	95	42	27	10.7%	9.8%	9.8%
Stakhanov Wagon	SVGZ	311	172	150	7	6	5	2.3%	3.4%	3.6%	1	1	0	0.2%	0.3%	0.3%
<b>Specialized Machinery</b>																
Turboatom	TATM	160	236	280	51	91	98	32.2%	38.7%	34.9%	38	72	69	23.8%	30.4%	24.8%
Motor Sich	MSICH	979	1,000	987	309	233	228	31.6%	23.3%	23.1%	200	169	167	20.4%	16.9%	16.9%
<b>Telecom</b>																
Ukrtelecom	UTLM	838	749	579	206	190	174	24.5%	25.4%	30.0%	45	11	26	5.4%	1.4%	4.5%
<b>Oil &amp; Gas</b>																
Ukrnafta	UNAF	1,853	2,454	2,143	319	373	355	17.2%	15.2%	16.5%	176	131	121	9.5%	5.4%	5.7%
Regal Petroleum	RPT	41	37	45	21	-146	26	52.2%	neg	57.0%	12	-127	2	28.3%	neg	4.4%
JKX Oil	JKX	203	181	199	136	66	68	67.1%	36.7%	34.3%	-11	7	8	neg	3.6%	3.9%
<b>Electric Utilities</b>																
Centrenergo	CEEN	1,119	902	890	69	84	83	6.2%	9.3%	9.4%	29	60	62	2.6%	6.6%	6.9%
Donbasenergo	DOEN	574	656	647	32	72	57	5.6%	11.0%	8.8%	4	65	50	0.7%	9.9%	7.8%
<b>Consumer</b>																
MHP	MHPC	1,408	1,496	1,635	468	391	545	33.2%	26.1%	33.3%	311	162	269	22.1%	10.8%	16.5%
Kernel	KER	2,157	2,797	2,480	322	291	255	14.9%	10.4%	10.3%	211	105	77	9.8%	3.8%	3.1%
Astarta	AST	456	505	559	109	81	138	20.0%	13.4%	20.5%	58	56	82	10.6%	9.2%	12.2%
Avangardco	AVGR	629	703	785	280	328	373	44.5%	46.6%	47.5%	228	262	300	36.3%	37.2%	38.3%
Agroton	AGT	88	69	76	20	13	12	23.2%	18.1%	15.4%	7	-2	-1	7.7%	neg	neg
<b>Banks</b>																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	5,962	5,333	5,074	793	888	846	679	723	542	4	90	102	0.5%	10.1%	12.1%
Ukrsotsbank	USCB	4,854	5,283	4,439	957	1,064	911	451	318	400	1	1	18	0.1%	0.1%	2.0%

Source: Eavex Research

**MAIN TRADING MULTIPLES**

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2014E	2012	2013E	2013E			
<b>Steel</b>																		
Alchevsk Steel	ALMK	84	3.9%	3	1,878	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	485	453	439	\$/tonne
Yenakievo Steel	ENMZ	33	8.8%	3	27	3.8	neg	neg	neg	1.2	0.8	0.0	0.0	0.0	10	9	9	\$/tonne
Azovstal	AZST	274	3.0%	8	258	neg	neg	neg	neg	neg	7.3	0.1	0.1	0.1	56	57	57	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	53	6.8%	4	50	neg	neg	neg	neg	1.1	1.7	0.0	0.1	0.1	12	13	14	\$/tonne
Yasynivsky Coke	YASK	18	9.0%	2	19	2.2	neg	3.8	0.7	0.7	1.0	0.0	0.1	0.1	0.7	0.7	1.0	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	929	0.3%	2	927	9.8	4.8	5.7	4.0	3.0	3.3	1.5	1.4	1.5				
Pivnichny GOK	SGOK	1,625	0.4%	6	1,618	3.7	3.0	3.5	2.2	1.8	2.0	1.1	1.0	1.1				
Ferrexpo	FXPO	1,539	24.0%	369	2,178	7.1	5.8	7.8	5.4	4.3	4.9	1.5	1.4	1.4				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	26	5.4%	1	128	3.6	1.5	1.5	1.0	1.4	1.4	0.5	0.6	0.5	31	30	28	\$/tonne
Coal Energy	CLE	25	25.0%	6	135	0.6	neg	neg	2.1	6.4	15.0	0.8	1.1	1.3	2.1	6.4	15.0	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	183	2.0%	4	229	5.4	>30	>30	4.4	7.3	7.5	0.5	0.7	0.7	363	603	572	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	31	24.0%	7	68	6.4	1.6	1.4	2.3	1.9	1.8	0.3	0.2	0.2				
Kruiw Wagon	KVBZ	172	5.0%	9	172	1.8	4.1	6.4	1.3	2.7	3.9	0.2	0.4	0.6				
Stakhanov Wagon	SVGZ	24	8.0%	2	56	>30	>30	>30	7.9	9.6	10.4	0.2	0.3	0.4				
<b>Specialized Machinery</b>																		
Turboatom	TATM	130	5.8%	8	62	3.4	1.8	1.9	1.2	0.7	0.6	0.4	0.3	0.2				
Motor Sich	MSICH	312	24.0%	75	327	1.6	1.8	1.9	1.1	1.4	1.4	0.3	0.3	0.3				
<b>Telecom</b>																		
Ukrtelecom	UTLM	286	7.2%	21	608	6.3	26.6	10.9	3.0	3.2	3.5	0.7	0.8	1.1				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	1,110	3.0%	33	1,102	6.3	8.4	9.2	3.5	3.0	3.1	0.6	0.4	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	57	21.6%	12	32	4.9	neg	28.7	1.5	neg	1.3	0.8	0.9	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	173	50.4%	87	281	neg	26.6	22.2	2.1	4.2	4.1	1.4	1.6	1.4	51	39	38	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	176	21.7%	38	245	6.1	2.9	2.9	3.6	2.9	2.9	0.2	0.3	0.3	14	17	15	\$/MWh
DonbasEnergO	DOEN	87	14.2%	12	157	22.7	1.3	1.7	4.9	2.2	2.8	0.3	0.2	0.2	19	20	19	\$/MWh
<b>Consumer</b>																		
MHP	MHPC	1,416	34.1%	483	2,544	4.6	8.7	5.3	5.4	6.5	4.7	1.8	1.7	1.6				
Kernel	KER	821	61.8%	507	1,527	3.9	7.8	10.7	4.7	5.3	6.0	0.7	0.5	0.6				
Astarta	AST	398	37.0%	147	732	6.9	7.1	4.9	6.7	9.0	5.3	1.6	1.5	1.3				
Avangardco	AVGR	639	22.5%	144	838	2.8	2.4	2.1	3.0	2.6	2.2	1.3	1.2	1.1	190	144	136	\$/mneggs
Agroton	AGT	22	26.2%	6	71	3.3	neg	neg	3.5	5.7	6.1	0.8	1.0	0.9	n/a	n/a	n/a	
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	457	3.5%	16		>30	5.1	4.5	0.6	0.5	0.5	0.08	0.09	0.09				
Ukrsotsbank	USCB	280	0.7%	2		>30	>30	17.9	0.4	0.3	0.3	0.07	0.06	0.07				

Source: Eavex Research

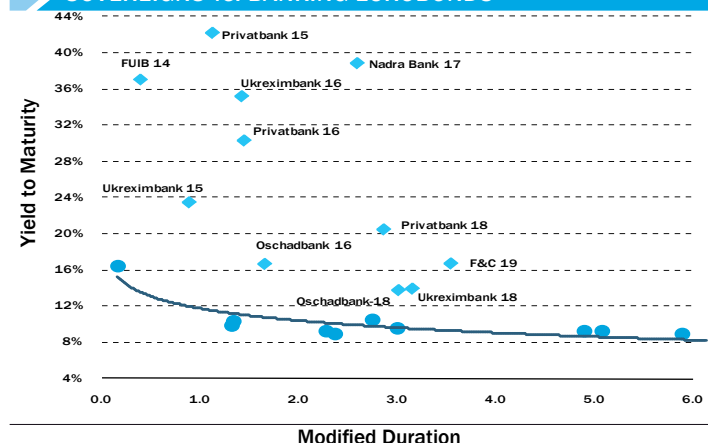
## UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2014	98.1	98.9	19.6%	14.8%	-1.5%	0.2	7.95%	S/A	4 Jun. 2014	1,000	Caa2/CCC/CCC
Naftogaz Ukraine, 2014	95.0	96.0	21.0%	18.4%	-5.0%	0.4	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	94.0	96.0	9.9%	8.3%	-1.0%	1.3	4.95%	A	13 Oct 2015	600*	Caa2/CCC/CCC
Ukraine, 2015	97.0	98.0	9.7%	8.9%	-0.2%	1.4	6.875%	S/A	23 Sept 2015	500	Caa2/CCC/CCC
Ukraine, 2016	95.3	96.3	8.9%	8.4%	1.8%	2.3	6.58%	S/A	21 Nov 2016	1,000	Caa2/CCC/CCC
Ukraine, 2016-2	95.3	96.3	8.4%	8.0%	1.5%	2.4	6.25%	S/A	17 Jun 2016	1,250	Caa2/CCC/CCC
Ukraine, 2017	93.0	94.0	9.3%	8.9%	0.8%	3.0	6.75%	S/A	14 Nov 2017	700	Caa2/CCC/CCC
Ukraine, 2017-2	99.5	100.3	9.7%	9.4%	0.7%	2.7	9.25%	S/A	24 Jul 2017	2,000	Caa2/CCC/CCC
Ukraine, 2017 Infr. projects	88.0	90.0	13.6%	12.8%	7.7%	2.8	8.375%	S/A	3 Nov 2017	568	Caa2//
Ukraine, 2018 Infr. projects	86.5	89.0	12.4%	11.5%	11.8%	3.2	7.40%	S/A	20 Apr 2018	690	Caa2//
Ukraine, 2020	94.0	95.0	9.2%	9.0%	1.5%	4.9	7.75%	S/A	23 Sept 2020	1,500	Caa2/CCC/CCC
Ukraine, 2021	95.0	96.0	9.0%	8.8%	1.9%	5.1	7.95%	S/A	23 Feb 2021	1,500	Caa2/CCC/CCC
Ukraine, 2022	94.0	94.8	8.8%	8.7%	3.6%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa2/CCC/CCC
Ukraine, 2023	93.4	97.9	8.6%	7.8%	5.7%	6.1	7.50%	S/A	17 Apr 2023	1,250	Caa2/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2014	34.9	44.6	52.8%	39.6%	-23.8%	2.3	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	98.4	99.5	13.7%	13.0%	-4.4%	1.0	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	86.2	87.6	11.5%	11.1%	-2.8%	4.5	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	97.0	99.9	13.4%	11.0%	-1.6%	1.3	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	84.0	87.0	16.5%	15.4%	-5.2%	3.0	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	95.0	96.5	15.4%	14.3%	-4.5%	1.7	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	81.7	83.8	15.7%	14.9%	-5.0%	3.0	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	95.4	96.5	16.5%	15.1%	-6.2%	0.9	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	85.2	86.1	12.7%	12.4%	-9.1%	3.2	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	97.5	98.0	14.4%	13.8%	-1.8%	1.0	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	92.2	93.9	11.5%	10.9%	-2.0%	3.1	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	96.5	98.1	10.4%	9.3%	-0.7%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	81.8	84.4	15.7%	14.7%	-9.4%	3.1	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interepipe, 2017	76.0	79.0	21.6%	19.5%	-1.2%	2.5	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	105.4	107.3	9.8%	9.2%	-4.2%	3.3	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	71.0	81.0	18.6%	14.9%	-8.4%	3.5	9.25%	S/A	25 Jan 2019	100	Caa2//
PUMB, 2014	87.5	93.0	30.7%	21.6%	-8.4%	0.6	11.00%	Q	31 Dec 2014	275	Caa2//
Nadra Bank, 2017	70.0	75.0	43.5%	35.1%	-9.9%	2.6	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	82.2	85.0	28.8%	25.4%	n/a	1.2	9.38%	S/A	23 Sept 2015	200	Caa2//
PrivatBank, 2016	67.2	75.0	31.8%	24.2%	1.1%	1.4	8.75%	S/A	9 Feb 2016	150	Caa2//
PrivatBank, 2018	77.5	82.0	19.4%	17.4%	-4.7%	2.9	10.88%	S/A	28 Feb 2018	175	Caa2//CCC
UkrEximBank, 2015	89.0	91.0	23.7%	20.8%	-6.7%	0.9	8.38%	S/A	27 Apr 2015	750	Caa2//CCC
UkrEximBank, 2016	66.0	66.0	35.4%	35.4%	-22.6%	1.4	8.40%	S/A	2 Sept 2016	125	Caa2//CCC
UkrEximBank, 2018	83.7	86.1	14.5%	13.5%	-4.8%	3.0	8.75%	S/A	22 Jan 2018	500	Caa2//CCC
VAB Bank, 2014	67.0	75.0	277.5%	191.4%	-17.0%	0.1	10.50%	Q	14 Jun 2014	125	Caa2//WD
Oschadbank, 2016	86.0	88.0	18.7%	17.2%	-6.5%	1.6	8.25%	S/A	10 Mar 2016	700	Caa2//CCC
Oschadbank, 2018	83.4	85.9	14.6%	13.6%	-4.9%	3.1	8.88%	S/A	20 Mar 2018	500	Caa2//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	85.0	86.7	21.3%	19.6%	-7.6%	1.3	8.00%	S/A	6 Nov 2015	250	Caa2/CCC/
City of Kyiv, 2016	84.0	87.0	18.3%	16.5%	-8.1%	1.9	9.375%	S/A	30 Jun 2016	300	Caa2/CCC/

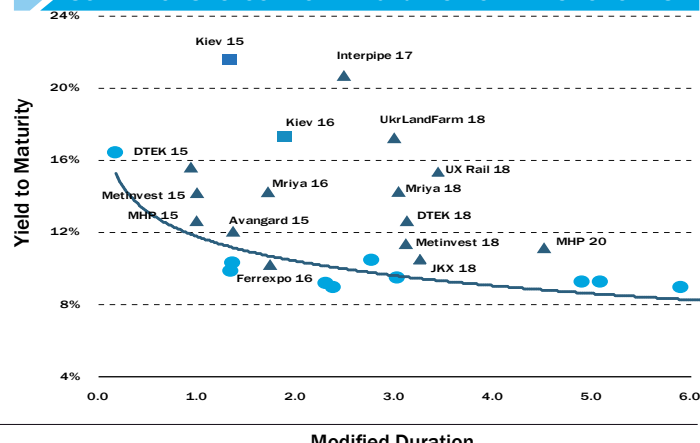
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

### SOVEREIGNS vs. BANKING EUROBONDS



### SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS





**UKRAINIAN DOMESTIC BONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
<b>UAH denominated Bonds</b>									
UA4000141592			20.5%	18.0%	n/a	14.30%	S/A	20 May 2015	31
UA4000142665			19.0%	17.0%	n/a	14.30%	S/A	24 May 2017	184
<b>USD denominated Bonds</b>									
UA4000142699	n/a	n/a	20.0%	18.5%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	20.5%	18.5%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	20.5%	18.5%	n/a	4.50%	S/A	17 Jun 2015	175
<b>EUR denominated Bonds</b>									
UA4000142681	n/a	n/a	9.5%	7.3%	n/a	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
UA4000082531			21.5%	18.0%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			21.5%	18.0%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			21.5%	18.0%	n/a	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research



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