

## Market Update

### Equity

Locally-listed stocks resumed their sharp fall on Wednesday (Apr 16) after a 1-day pause, as a so-called “anti-terrorist operation” against pro-Russian paramilitaries in Donetsk oblast appeared to result in embarrassingly immediate Ukrainian army surrenders. Fortunately, only minimal violence was reported as local Donbass crowds confronted armored personnel carriers sent by the government in Kyiv. Meanwhile, Frankfurt’s DAX bounced back strongly from its big Ukraine-related decline on Tuesday and the S&P 500 rallied for a third straight session to climb back within range of record-high territory. The UX index fell 2.5% to close at 1086 points, led by DonbasEnerg, which dropped 4.6% to UAH 41.35. Motor Sich, Alchevsk Steel, and Avdyivka Coke each lost around 3.5%, while CentrEnerg was somewhat better at minus 1.8%. In London, MHP continued to trend lower, slipping 1.6% to USD 12.30, while Ferrexpo edged up by 1.5% on a round of afternoon buying. In Warsaw, Astarta was hit by the release of its lower-than-expected FY13 earnings, slumping 4.6% to PLN 39.10.

### Fixed Income

Ukrainian sovereigns were up on Wednesday with Ukraine-23s improving by 0.3p.p. to 85.5/90.8 (10.0%/9.0%). Corporate names were mixed. Metinvest-15s declined by 1.8p.p. to 93.1/93.5 (20.5%/20.0%) while MHP-15s rose by 0.3p.p. to 96.3/97.1 (16.9%/15.7%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Ukrnafta	UNAF	239.50	-1.4%	3.8	114
Centrenerg	CEEN	5.59	-1.9%	1.5	185
Motor Sich	MSICH	1850.000	-3.4%	0.9	85

### Growth Leaders

Pokrovske Mine	SHCHZ	0.65	15.7%	0.01	9
Dniproenerg	DNEN	404.70	1.2%	0.09	8
Khartsyzk Pipe	HRTR	0.73	-0.1%	0.05	8

### Loss Leaders

Dniprobenerg	DNON	50.00	-46.8%	0.014	8
KRAZ	KRAZ	0.06	-6.0%	0.015	21
Donbasenerg	DOEN	41.36	-4.7%	0.290	116

## Highlights

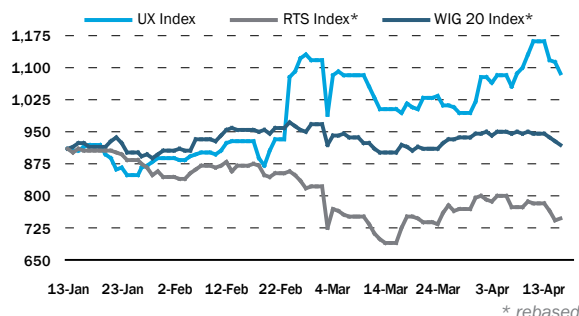
### STOCKS IN THE NEWS

- ▶ Astarta’s EBITDA Down 20% YoY in FY13

### FIXED INCOME

- ▶ DTEK’s EBITDA Drops 12% YoY to USD 1.9bn in FY13

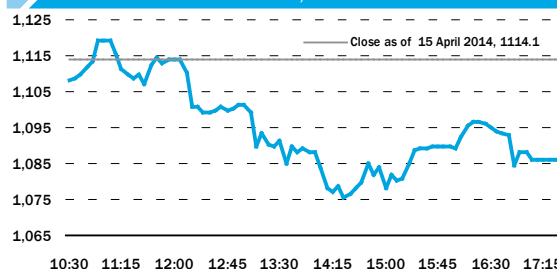
## STOCK MARKET PERFORMANCE



## MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1086.3	-2.5%	8.2%	19.4%
RTS	1154.3	1.0%	8.6%	-20.0%
WIG20	2395.6	-0.5%	2.3%	-0.2%
MSCI EM	1002.5	0.3%	6.9%	0.1%
S&P 500	1862.3	1.0%	1.2%	1.2%

## UX INTRADAY APRIL 16, 2014



## FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	319.2	-1.2%	-10.0%	-3.5%
CDS 5Y UKR	1167.0	9.4%	-6.3%	42.3%
Ukraine-17	11.3%	0.1 p.p.	-1.1 p.p.	2.3 p.p.
Naftogaz Ukr-14	33.8%	-0.8 p.p.	-5.5 p.p.	25.1 p.p.
Ukraine-23	9.5%	0.0 p.p.	-1.0 p.p.	2.0 p.p.
Privatbank-16	32.1%	0.0 p.p.	1.5 p.p.	7.4 p.p.

## CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.30	-5.0%	16.5%	37.1%
EUR	15.62	-5.0%	15.7%	37.4%
RUB	0.31	-4.6%	18.2%	24.9%

## COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	293.6	0.0%	-1.3%	2.2%
Steel, USD/t	522.5	0.0%	-0.9%	-2.8%
Oil, USD/bbl	109.6	0.2%	1.5%	-1.4%
Gold, USD/oz	1302.6	0.0%	-5.8%	8.9%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Astarta's EBITDA Down 20% YoY in FY13

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### ▶ ASTARTA (AST PW)

Price: PLN 39.1 Market Cap: USD 323mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	1.3	9.5	8.1	0%
2014E	1.2	3.9	4.8	0%

## NEWS

Astarta, Ukraine's largest sugar producer, reported a drop in its earnings for FY13, according to the company's 2013 annual report released on Tuesday (Apr 16). EBITDA fell by 20% YoY to EUR 69mn as production costs grew faster than revenue. Net profit declined by 44% to EUR 26mn, which mostly reflected the drop in EBITDA. Net revenue improved by 5% YoY to EUR 369mn, with sales of sugar, crops, and livestock products contributing 61%, 26% and 11% to the total figure, respectively. The company's net debt as of end-2013 stood at EUR 268mn, implying a Net Debt/EBITDA ratio of 3.9x, vs. 2.8x a year earlier.

The company has an optimistic outlook for its core sugar segment in 2014, and plans to expand output by at least a third from FY13's 305,000 tonnes after acquiring the Orzhytsia refinery. Astarta also said it is exploring the potential to begin dividend payouts, without specifying the timing of any such decision.

Astarta continued to work on reducing its production cost, which resulted in a 7% decline in use of natural gas in the sugar beet refining process. Finally, the company managed to increase its market share in Ukraine to 26%, from 19% in 2012, as a result of smaller players sitting out the season due to low sugar pricing.

## COMMENTARY

Although the dividend policy, cost optimization, and expansion of market share look encouraging for the AST stock, they are unlikely to offset the negative sentiment from lower earnings results and heightened Ukraine political risk. Going forward, the planned increase in sugar output in 2014 as well as the financial benefits from 2013's launch of soybean cultivation and biogas plants bode well for Astarta's results this year. On the other hand, with 14% of its sugar refining capacity located in Kharkiv province, Astarta may find itself exposed to Eastern Ukraine's political upheaval. Also, only 20% of the company's revenue is denominated in USD, while 50% of its operating costs are linked to USD, meaning that devaluation will hammer the company's FY14 bottom line and EBITDA, which are presented in EUR.

## DTEK's EBITDA Drops 12% YoY to USD 1.9bn in FY13

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### NEWS

DTEK, Ukraine's largest coal-fired power plant operator, posted a drop in its EBITDA by 11.7% YoY to USD 1.87bn in FY13, according to the company's financial results published on Wednesday (Apr 16). DTEK's revenue rose by 12.4% YoY to USD 11.6bn in the period, while net profit fell 44% to USD 417mn.

#### DTEK INTERIM FINANCIAL RESULTS

USD mn	2013	2012	Y/Y
<b>Revenue</b>	<b>11,612</b>	<b>10,332</b>	<b>+12.4%</b>
<b>EBITDA</b>	<b>1,872</b>	<b>2,119</b>	<b>-11.7%</b>
<i>margin</i>	<i>16.1%</i>	<i>20.5%</i>	<i>-4.4 p.p.</i>
<b>Net Profit</b>	<b>417</b>	<b>745</b>	<b>-44.0%</b>
<i>margin</i>	<i>3.6%</i>	<i>7.2%</i>	<i>-3.6 p.p.</i>

Source: Company Data. Eavex Research

The group received its revenue from the wholesale supply of electricity to state-owned intermediary EnergoRynok, sales of coal and heating services, and the distribution and sale of electricity to end consumers. On the balance sheet side, DTEK's net debt was USD 2.8bn as of end-2013, most of which is denominated in USD; the implied Net Debt/EBITDA ratio is 1.5x.

### COMMENTARY

DTEK entered several new segments in 2013, in particular natural gas extraction and gas import from Europe. These segments added some USD 370mn to the group's top line. Weaker coal prices in the period apparently had a net negative effect on the bottom line due to DTEK's heavy involvement in coal mining, although on the flip side, lower coal prices increase the profitability of electricity sales. The average domestic coal price decreased by 12% YoY to USD 82 per tonne in FY13 on the back of softening global demand. The coal mining and power generation segments accounted for 52% of DTEK's revenue structure in FY13. Export sales accounted for 8% of the total revenue, or USD 930mn; the export revenue is an important source of hard currency for servicing the company's foreign currency denominated debt. DTEK said its debt repayments due in FY14 are USD 264mn, a rather low figure in relative terms. However, the repayments will rise to USD 959mn in

2015, including redemption of the USD 200mn DTEK-15s Eurobond. We expect the hryvnia devaluation to have a clearly negative effect on DTEK's top and bottom lines this year, but the company's well diversified business should still generate enough cash flow to maintain a Net Debt/EBITDA ratio below the Eurobond covenant ceiling of 3.0x. DTEK-18 Eurobonds are currently quoted at 14.7%/14.0% YTM, which implies a spread of 350 bps to the sovereign yield curve. In our view, this rather wide spread is due to risks associated with the location of DTEK's main assets in the Eastern Ukrainian conflict zone, as well as the uncertain political stance of owner Rinat Akhmetov as it relates to the future status of the Donbass region as part of Ukraine.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.71	0.56	-21%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	150.6	125.0	-17%	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	8.84	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	9.00	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	3.16	6.2	98%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.69	U/R	na	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	0.65	2.9	354%	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	17.5	U/R	–	U/R	
LuganskTeplovoz	LTPL	1.64	5.2	220%	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	1850	5250	184%	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	10.3	42.0	310%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	57.5	370	543%	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>						
DonbasEnerg	DOEN	41.4	72.0	74%	BUY	DonbasEnerg 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%.
CenterEnerg	CEEN	5.59	15.00	169%	BUY	CenterEnerg'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	12.3	U/R	–	U/R	
Astarta	AST	39.1	90.0	130%	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	9.7	U/R	–	U/R	
Ovostar Union	OVO	69.0	109.50	59%	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	0.167	0.24	44%	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	1086.27	1170.00	789.75	-2.5%	-1.1%	8.2%	19.4%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.035	0.06	0.02	-2.8%	-5.2%	-5.9%	-10.1%	-0.3%	-4.1%	-14.2%	-29.4%
Azovstal	AZST	0.71	0.90	0.31	-1.8%	-3.3%	5.4%	5.4%	0.7%	-2.2%	-2.9%	-14.0%
Dniprospeztstal	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	34.9	52.0	20.0	-2.8%	0.1%	3.4%	9.1%	-0.3%	1.2%	-4.8%	-10.2%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	33.3%	100.0%	n/a	247.8%	35.8%	101.1%	n/a	228.5%
Mariupol Ilyicha	MMKI	0.14	0.21	0.05	-26.3%	0.0%	-6.7%	40.0%	-23.8%	1.1%	-14.9%	20.6%
<b>Coke</b>												
Avdyivka Coke	AVDK	3.16	4.80	1.60	-3.5%	2.7%	8.3%	6.6%	-1.0%	3.8%	0.1%	-12.8%
Yasynivsky Coking	YASK	0.69	0.77	0.49	0.0%	-1.4%	4.5%	30.2%	2.5%	-0.3%	-3.7%	10.8%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	9.00	n/a	n/a	0.0%	0.0%	12.5%	38.5%	2.5%	1.1%	4.3%	19.1%
Ferrexpo	FXPO	2.53	3.20	2.02	1.9%	-2.8%	9.5%	-19.8%	4.4%	-1.7%	1.2%	-39.2%
Pivnichny GOK	SGOK	8.84	10.00	5.77	6.5%	10.6%	-9.6%	10.5%	9.0%	11.7%	-17.9%	-8.9%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.65	0.70	0.10	16.1%	12.1%	35.4%	62.5%	18.6%	13.2%	27.2%	43.1%
Komsomolets Donbasa	SHKD	1.07	n/a	n/a	-7.0%	12.6%	-5.3%	72.6%	-4.5%	13.7%	-13.5%	53.2%
Energy Coal	CLE	0.44	1.63	0.31	-3.5%	-11.1%	-11.7%	25.7%	-1.0%	-10.0%	-19.9%	6.3%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.28	n/a	n/a	0.0%	-37.8%	n/a	-39.1%	2.5%	-36.7%	n/a	-58.5%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.73	0.81	0.30	1.4%	4.3%	21.7%	21.7%	3.9%	5.4%	13.4%	2.3%
Interpipe NMPP	NVTR	0.25	n/a	n/a	0.0%	4.2%	-3.8%	19.0%	2.5%	5.3%	-12.1%	-0.3%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	17.5	29.0	12.0	0.0%	-0.9%	-12.4%	1.2%	2.5%	0.2%	-20.7%	-18.2%
Luhanskeplovoz	LTPL	1.64	2.20	1.20	0.0%	10.1%	6.5%	9.3%	2.5%	11.2%	-1.7%	-10.0%
Stakhanov Wagon	SVGZ	1.10	n/a	n/a	-13.4%	0.0%	4.8%	-15.4%	-10.9%	1.1%	-3.5%	-34.7%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.04	0.08	0.02	6.1%	2.1%	26.1%	64.2%	8.6%	3.2%	17.8%	44.8%
Motor Sich	MSICH	1,850	2,545	1,303	-3.5%	0.2%	8.2%	1.4%	-1.0%	1.3%	-0.1%	-17.9%
Summy Frunze Engineering	SMASH	3.76	n/a	n/a	0.0%	n/a	7.7%	50.4%	2.5%	n/a	-0.5%	31.0%
Turboatom	TATM	1.70	n/a	n/a	0.0%	-46.9%	-15.0%	-51.4%	2.5%	-45.8%	-23.2%	-70.8%
WESTA ISIC	WES	0.17	0.26	0.13	-1.7%	-4.0%	15.5%	31.4%	0.8%	-2.9%	7.3%	12.1%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.16	0.19	0.09	0.0%	4.8%	7.4%	45.5%	2.5%	6.0%	-0.9%	26.1%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.17	0.41	0.16	5.6%	2.8%	-5.8%	-18.2%	8.1%	3.9%	-14.1%	-37.6%
JKX Oil	JKX	0.97	1.21	0.75	0.4%	-3.9%	-7.0%	-18.5%	2.9%	-2.8%	-15.3%	-37.8%
Ukrnafta	UNAF	240	270	96	-1.4%	-2.6%	29.4%	120.5%	1.1%	-1.5%	21.2%	101.2%
<b>Power Utilities</b>												
Centrenerg	CEEN	5.59	7.40	2.50	-2.4%	1.9%	6.4%	17.1%	0.1%	3.0%	-1.9%	-2.2%
Donbasenerg	DOEN	41.4	46.9	15.4	-4.7%	-4.3%	10.4%	49.9%	-2.2%	-3.2%	2.1%	30.5%
Zakhidenerg	ZAEN	122.0	134.0	64.0	-2.4%	-5.3%	10.1%	35.0%	0.1%	-4.2%	1.9%	15.6%
<b>Consumer</b>												
Agroton	AGT	0.76	1.8	0.36	-1.6%	-16.8%	-24.7%	16.5%	0.9%	-15.7%	-33.0%	-2.9%
Astarta	AST	12.9	24.4	12.1	-4.5%	-11.5%	5.9%	-42.0%	-2.0%	-10.4%	-2.3%	-61.4%
Avangardo	AVGR	9.7	13.0	8.10	0.1%	1.1%	10.9%	-17.4%	2.6%	2.2%	2.6%	-36.8%
Industrial Milk Company	IMC	2.74	5.14	2.49	2.5%	0.8%	4.8%	-32.2%	5.0%	1.9%	-3.4%	-51.6%
Kernel	KER	9.6	19.1	7.6	0.5%	-3.7%	21.1%	-24.4%	3.0%	-2.6%	12.9%	-43.8%
Mriya Agro Holding	MAYA	6.78	8.2	5.36	0.1%	1.0%	-9.5%	-9.1%	2.6%	2.2%	-17.8%	-28.4%
MHPC	MHPC	12.3	19.9	11.21	-1.6%	-4.7%	-2.6%	-27.7%	0.9%	-3.5%	-10.9%	-47.1%
Milkiland	MLK	2.43	4.7	2.22	-3.8%	-4.9%	9.2%	-41.7%	-1.3%	-3.8%	0.9%	-61.0%
Ovostar Union	OVO	22.7	33.3	19.4	0.0%	-3.1%	0.1%	-31.6%	2.5%	-2.0%	-8.1%	-51.0%
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	13.0	n/a	n/a	-3.0%	2.7%	5.2%	4.0%	-0.5%	3.8%	-3.1%	-15.4%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.167	0.177	0.077	-0.8%	-1.8%	12.7%	47.3%	1.7%	-0.7%	4.5%	27.9%
UkrSotsbank	USCB	0.158	0.257	0.115	-0.6%	-5.7%	-8.6%	-15.7%	1.9%	-4.6%	-16.9%	-35.1%

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
Steel																
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
Coke																
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%
Iron Ore Mining																
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%
Coal Mining																
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
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	480	310	319	52	31	30	10.8%	10.1%	9.5%	34	5	5	7.0%	1.5%	1.5%
Railcar Manufacturing																
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%
Specialized Machinery																
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%
Telecom																
Ukrtelecom	UTLM	838	749	579	206	190	174	24.5%	25.4%	30.0%	45	11	26	5.4%	1.4%	4.5%
Oil & Gas																
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%
Electric Utilities																
Centrenerg	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%
Consumer																
MHP	MHPC	1,408	1,496	1,635	468	391	458	33.2%	26.1%	28.0%	311	162	-30	22.1%	10.8%	neg
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	91	138	20.0%	15.0%	20.5%	58	34	82	10.6%	5.6%	12.2%
Avangardco	AVGR	629	661	785	280	301	373	44.5%	45.6%	47.5%	228	238	300	36.3%	36.0%	38.3%
Agroton	AGT	88	69	76	20	13	12	23.2%	18.1%	15.4%	7	-2	-1	7.7%	neg	neg
Banks		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%
Ukrspotsbank	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		
Steel																		
Alchevsk Steel	ALMK	80	3.9%	3	1,874	neg	neg	neg	neg	neg	neg	1.1	1.1	1.1	484	451	438	\$/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	263	3.0%	8	247	neg	neg	neg	neg	neg	7.0	0.1	0.1	0.1	54	55	54	\$/tonne
Coke																		
Avdyivka Coke	AVDK	54	6.8%	4	52	neg	neg	neg	neg	1.1	1.8	0.0	0.1	0.1	12	13	14	\$/tonne
Yasynivsky Coke	YASK	17	9.0%	2	18	2.0	neg	3.6	0.6	0.6	0.9	0.0	0.0	0.1	0.6	0.6	0.9	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	933	0.3%	2	932	9.8	4.8	5.7	4.0	3.0	3.3	1.5	1.4	1.5				
Pivnichny GOK	SGOK	1,802	0.4%	7	1,796	4.1	3.3	3.9	2.4	2.0	2.2	1.3	1.1	1.2				
Ferrexpo	FXPO	1,480	24.0%	355	2,119	6.9	5.6	7.5	5.3	4.2	4.7	1.5	1.3	1.4				
Coal Mining																		
Komsomolets Donbasa	SHKD	32	5.4%	2	134	4.4	1.9	1.9	1.1	1.5	1.4	0.5	0.6	0.6	33	31	30	\$/tonne
Coal Energy	CLE	20	25.0%	5	130	0.5	neg	neg	2.1	6.1	14.4	0.8	1.0	1.3	2.1	6.1	14.4	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	168	2.0%	3	214	5.0	>30	>30	4.1	6.8	7.0	0.4	0.7	0.7	339	562	534	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	32	24.0%	8	69	6.6	1.6	1.4	2.4	1.9	1.8	0.3	0.2	0.2				
Kruktiv Wagon	KVBZ	178	5.0%	9	178	1.9	4.3	6.6	1.3	2.7	4.1	0.2	0.4	0.6				
Stakhanov Wagon	SVGZ	22	8.0%	2	55	>30	>30	>30	7.6	9.3	10.0	0.2	0.3	0.4				
Specialized Machinery																		
Turboatom	TATM	131	5.8%	8	63	3.4	1.8	1.9	1.2	0.7	0.6	0.4	0.3	0.2				
Motor Sich	MSICH	340	24.0%	82	355	1.7	2.0	2.0	1.1	1.5	1.6	0.4	0.4	0.4				
Telecom																		
Ukrtelecom	UTLM	265	7.2%	19	587	5.9	24.7	10.1	2.9	3.1	3.4	0.7	0.8	1.0				
Oil & Gas																		
Ukrnafta	UNAF	1,149	3.0%	34	1,141	6.5	8.7	9.5	3.6	3.1	3.2	0.6	0.5	0.5	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	55	21.6%	12	30	4.7	neg	27.6	1.4	neg	1.2	0.7	0.8	0.7	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	166	50.4%	84	274	neg	25.5	21.3	2.0	4.1	4.0	1.4	1.5	1.4	50	38	37	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	183	21.7%	40	251	6.3	3.1	3.0	3.7	3.0	3.0	0.2	0.3	0.3	14	18	15	\$/MWh
DonbasEnerg	DOEN	87	14.2%	12	157	22.6	1.3	1.7	4.9	2.2	2.8	0.3	0.2	0.2	19	20	19	\$/MWh
Consumer																		
MHP	MHPC	1,300	34.1%	443	2,427	4.2	8.0	neg	5.2	6.2	5.3	1.7	1.6	1.5				
Kernel	KER	763	61.8%	471	1,469	3.6	7.3	9.9	4.6	5.1	5.8	0.7	0.5	0.6				
Astarta	AST	323	37.0%	119	656	5.6	9.5	3.9	6.0	7.2	4.8	1.4	1.3	1.2				
Avangardco	AVGR	620	22.5%	139	819	2.7	2.6	2.1	2.9	2.7	2.2	1.3	1.2	1.0	185	141	133	\$/mneggs
Agroton	AGT	16	26.2%	4	65	2.4	neg	neg	3.2	5.2	5.6	0.7	0.9	0.9	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	444	3.5%	16		>30	5.0	4.4	0.6	0.5	0.5	0.07	0.08	0.09				
Ukrsotsbank	USCB	257	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

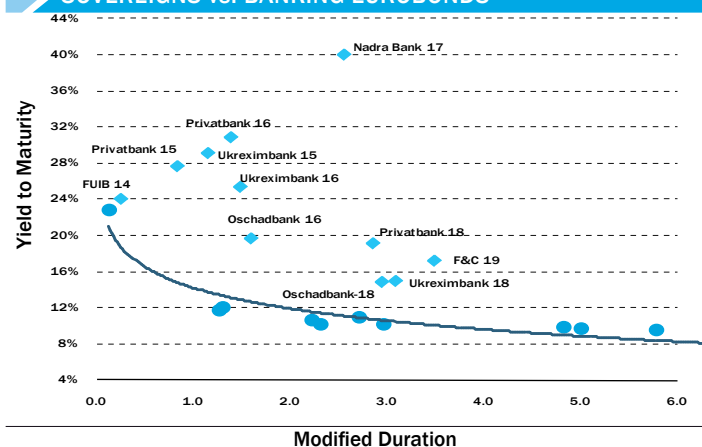
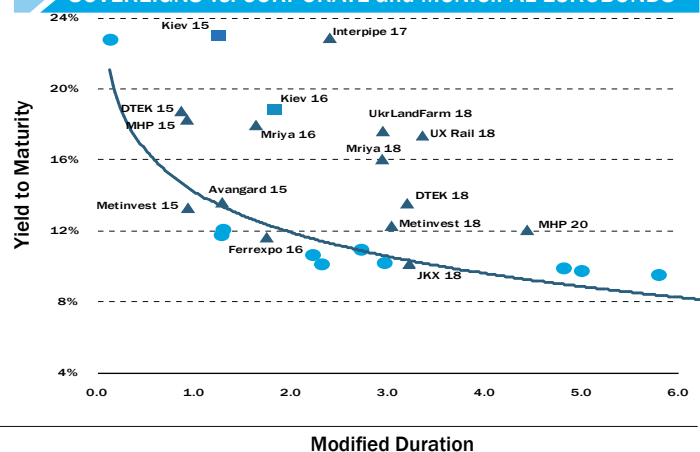


**UKRAINIAN EUROBONDS**

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	97.5	98.5	26.6%	18.9%	-2.0%	0.1	7.95%	S/A	4 Jun. 2014	1,000	Caa3/CCC/CCC
Naftogaz Ukraine, 2014	92.1	93.4	29.0%	25.6%	-7.7%	0.4	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	90.5	93.5	13.2%	10.5%	-4.2%	1.3	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	93.8	95.3	12.8%	11.4%	-3.2%	1.3	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	91.3	92.3	10.9%	10.4%	-2.4%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	91.3	92.3	10.4%	9.9%	-2.7%	2.3	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	90.0	91.0	10.4%	10.1%	-2.4%	3.0	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	95.8	96.8	11.2%	10.8%	-3.0%	2.7	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	92.7	95.7	11.7%	10.5%	14.0%	2.8	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	92.3	96.1	10.3%	9.0%	20.0%	3.2	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	90.5	91.5	10.0%	9.8%	-2.2%	4.8	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	91.0	92.0	9.9%	9.7%	-2.3%	5.0	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	90.0	91.0	9.6%	9.4%	-0.6%	5.8	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	88.5	93.3	9.4%	8.6%	0.4%	6.3	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
<b>Corporate Eurobonds</b>											
Agroton, 2014	34.9	44.6	53.4%	40.0%	-23.8%	2.3	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	98.1	99.6	14.4%	13.4%	-4.5%	0.9	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	82.9	85.4	12.4%	11.7%	-5.9%	4.4	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	95.5	98.2	14.9%	12.5%	-3.1%	1.3	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	80.7	81.9	17.9%	17.4%	-9.8%	3.0	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	91.8	91.8	18.0%	18.0%	-8.5%	1.6	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	79.9	82.2	16.5%	15.6%	-7.0%	2.9	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	93.3	94.9	20.1%	17.7%	-8.0%	0.9	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	82.4	83.6	13.8%	13.3%	-11.9%	3.2	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	94.6	95.9	18.5%	16.8%	-6.7%	0.9	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	88.7	91.8	12.9%	11.7%	-5.0%	3.0	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	94.1	95.4	12.1%	11.1%	-3.3%	1.7	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	78.0	80.0	17.2%	16.4%	-13.9%	3.0	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	73.0	75.0	23.5%	21.8%	-5.1%	2.4	10.25%	S/A	2 Aug 2017	200	//
JXX Oil&Gas, 2018	103.1	105.2	10.5%	9.8%	-6.2%	3.2	8.00%	S/A	19 Feb 2018	40	
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	70.0	80.0	19.1%	15.3%	-9.6%	3.5	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	91.6	91.6	24.0%	24.0%	-7.0%	0.6	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	70.0	75.0	44.4%	35.7%	-9.9%	2.6	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	80.0	85.0	32.8%	26.1%	n/a	1.1	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	65.1	72.4	34.9%	27.1%	-2.2%	1.4	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	78.1	80.1	19.1%	18.2%	-5.5%	2.9	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	85.0	89.0	31.5%	24.6%	-9.8%	0.8	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	74.0	77.0	27.1%	24.0%	-11.5%	1.5	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	81.6	84.2	15.3%	14.3%	-7.1%	3.0	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	63.0	71.0	375.6%	264.8%	-21.6%	0.1	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	84.4	86.0	20.4%	19.1%	-8.5%	1.6	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	82.2	83.8	15.4%	14.5%	-6.8%	3.1	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	82.3	85.0	24.6%	21.8%	-10.0%	1.3	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	82.4	84.3	19.4%	18.2%	-10.1%	1.8	9.375%	S/A	30 Jun 2016	300	Caa3/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	12.0%	11.5%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	12.0%	11.5%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	12.0%	11.5%	n/a	4.50%	S/A	17 Jun 2015	175
<b>EUR denominated Bonds</b>									
UA4000142681	n/a	n/a	11.5%	10.8%	n/a	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
UA4000082531			20.0%	17.5%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			20.0%	17.5%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			20.0%	17.5%	n/a	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

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