

Market Update

Equity

Local Ukrainian equities were mostly up on Tuesday (Jun 24), while the major stock markets in Europe and the US were lower by between half a percent and one percent on the deteriorating security situation and increasing violence in Iraq. In Eastern Ukraine, attacks on Ukrainian armed forces by pro-Russian paramilitaries continued despite the declared ceasefire, and talks were taking place between teams led by Donetsk People's Republic representative Alexander Boroday one side and former President Leonid Kuchma on the other to open the door to a political resolution of the situation. The UX index edged up by 0.6%, closing at 1234 points. Top liquid issues Raiffeisen Aval, CentrEnergio and Motor Sich added 1.2% and 1.0% respectively on combined turnover of UAH 9.8mn, with the latter ending at UAH 2371; low-liquidity blue chip Yenakievo Steel added 3.6%, while UkrNafta was a loser on the day, slipping 0.6% to UAH 257. Outside the UX basket, DonetskStal-controlled Yasynivsky Coke saw a decline of 5.7%.

Fixed Income

Ukrainian sovereigns moved sharply higher on Tuesday after Russian President Putin rescinded his request to the State Duma for the right to use Russian military force in Ukraine. Ukraine-23s jumped by 4.5p.p. to 94.3/95.8 (8.4%/8.2%). Top corporate debt names also finished in positive territory, with MHP-20s rising by 1.7p.p. to close at 90.9/92.3 (10.4%/10.0%) and Ferrexpo-16s up 1.2p.p. to 96.5/98.5 (11.0%/9.5%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2371.00	1.0%	4.9	191
Raiffeisen Bank Aval	BAVL	0.16	1.2%	4.0	68
Centrenergio	CEEN	7.40	1.1%	1.2	290

Growth Leaders

Bank Forum	FORM	0.24	34.6%	0.00	13
Yenakievo Steel	ENMZ	45.99	3.6%	1.17	75
Raiffeisen Bank Aval	BAVL	0.16	1.2%	3.97	68

Loss Leaders

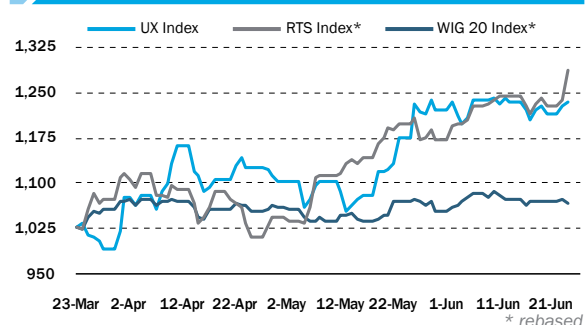
KRAZ	KRAZ	0.09	-6.6%	0.024	15
Donbasenergo	DOEN	39.80	-0.9%	0.318	87
Ukrsotsbank	USCB	0.17	-0.7%	0.274	7

Highlights

STOCKS IN THE NEWS

- > KSG Unveils Poor Unaudited FY13 and 1Q14 Financials
- > IMC Intends to Increase Its Storage Capacity In Sumy by 35,000 tonnes by 2019

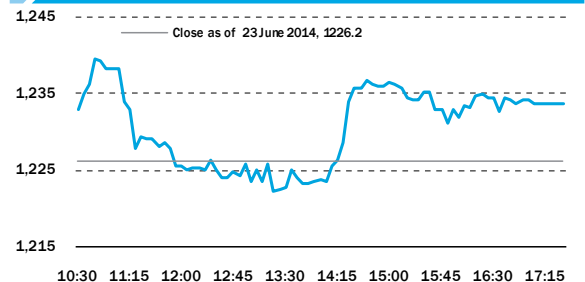
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1233.7	0.6%	4.9%	35.6%
RTS	1421.1	3.8%	7.1%	-1.5%
WIG20	2459.8	-0.7%	-0.2%	2.4%
MSCI EM	1048.1	0.6%	0.5%	4.6%
S&P 500	1950.0	-0.6%	2.6%	5.9%

UX INTRADAY JUNE 24, 2014



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	279.4	0.0%	-7.1%	-15.5%
CDS 5Y UKR	845.7	-2.5%	-11.7%	3.1%
Ukraine-17	7.8%	-1.1 p.p.	-1.2 p.p.	-1.2 p.p.
Naftogaz Ukr-14	16.4%	-3.1 p.p.	-9.1 p.p.	7.7 p.p.
Ukraine-23	8.3%	-0.8 p.p.	-0.6 p.p.	0.8 p.p.
Privatbank-16	22.9%	0.0 p.p.	-7.0 p.p.	-1.7 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	11.93	0.5%	-0.2%	44.7%
EUR	16.23	0.6%	-0.4%	42.7%
RUB	0.35	1.3%	0.6%	40.5%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	251.1	0.0%	-7.4%	-12.6%
Steel, USD/t	537.5	0.0%	0.0%	0.0%
Oil, USD/bbl	114.5	0.3%	4.2%	2.9%
Gold, USD/oz	1318.4	0.1%	2.0%	10.2%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

KSG Unveils Poor Unaudited FY13 and 1Q14 Financials

by Ivan Dzvinka
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NEWS

Crop grower KSG Agro unveiled its financial results for 1Q14 as well as its unaudited P&L and balance sheet for 2013 on Monday (Jun 23). The company's net revenue in 2013 increased by 56% YoY to USD 58mn. Gross profit plunged by 73% YoY as the growth in revenue was not able to offset a 62% increase in cost of sales (to USD 64mn) and a 40% decline in revaluation gain to USD 13mn. Weak gross profit coupled with an 8x increase in other operating expenses (OOE) to USD 16mn led to an operating loss of USD 14.4mn (vs. USD +18.2mn in 2012). Some two thirds of OOE was comprised of unspecified "Loss on associates' disposal" of USD 3.9mn and "goodwill impairment" of USD 6.3mn. Overall, the company finished the year with a reported net loss of USD 27.2mn, vs. net profit of USD 11.7mn in FY12.

In 1Q14, KSG reported its lowest quarterly revenue in two years of USD 4.5mn (-45% YoY). The operating line was at breakeven (USD 82,000 vs. USD 3.7mn in 1Q13). With an FX translation loss of USD 5.9mn (zero in 1Q13), KSG posted a net loss of USD 7.7mn compared to a profit of USD 1.8mn in 1Q13.

Following a 10% increase in net debt to USD 102mn as of end-2013, the company reduced its net debt to USD 81mn as of end-1Q14. The operating profit to interest expense ratio stood at 0.03x in 1Q14, signifying the company's inability to cover its interest expenses from operating profit.

COMMENTARY

As we expected, KSG's FY13 results, as well as those for the most recent quarter, turned out to be disappointing. The situation is worsened by a significant deterioration in the company's transparency. Even putting aside the rather non-persuasive reason for the delay in the publishing of the financials – the political situation in Crimea and KSG's assets there – the company released only a small part of its FY13 results, which are not yet audited, with no mention about the failure to release an operating update for 4Q13. Based on the data provided, it looks as though KSG has a problem with solvency, which we assume was probably the reason for the recent selloff of one of its land-leasing subsidiaries in Kherson province. Also, based on a breakdown of the line of "Other operating expenses" for 4Q13 (loss on disposal), the company likely sold some asset(s) in 4Q13.

More clarity about the disappointing FY13 results should be provided with the audited financials, although the timing of the release is anyone's guess as the company provided no timeframe for it. We suppose that the audited figures could turn out to be even worse than those disclosed this week, which was the case with Lugansk-based Agroton, which is a close peer of KSG, regarding the former's audited FY12 data.

IMC Intends to Increase Its Storage Capacity In Sumy by 35,000 tonnes by 2019

by Ivan Dzvinka
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INDUSTRIAL MILK COMPANY (IMC PW)

Price: PLN 10.4 Market Cap: USD 106mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2013	2.0	4.1	4.5	0%
2014E	1.3	21.3	3.9	0%

NEWS

Central Ukraine-based crop grower Industrial Milk Company (IMC) intends to increase the storage capacity at one of its Sumy province storage facilities from the current 55,000 tonnes to 90,000 tonnes by 2019, the company reported on Tuesday (June 24). IMC also said it is considering whether to start cultivating soya seeds for internal use in light of plans by the company to significantly expand the share of soya in its crop mix in the medium term. In 2014, IMC doubled its area under soya to 8,100ha.

COMMENTARY

With the execution of this medium-term expansion project, Warsaw-listed IMC will further increase its self-sufficiency in storage capacity, which we currently estimate in the vicinity of 90%. The benefits of such self-sufficiency were clearly demonstrated after the last harvest season. In a situation of low crop prices in 4Q13, IMC was able to postpone the sale of most of its corn (its core crop in the 2013 mix) until 1Q14 at a 12% higher price compared to 4Q13.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.79	0.56	-30%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	124.4	125.0	0%	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	7.85	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	7.00	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.
Coke						
Avdyivka Coke	AVDK	3.32	6.2	88%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasynivsky Coke	YASK	0.71	U/R	na	U/R	Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.
Coal						
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.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	18.9	U/R	--	U/R	
LuganskTeplovoz	LTPL	1.36	5.2	286%	BUY	LuganskTeplovoz's incorporation into TransMashHolding should help it to exploit its already-dominant position on the Russian market for diesel locomotives.
Specialized Machinery						
Motor Sich	MSICH	2371	5250	121%	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.
Oil & Gas						
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	8.5	42.0	394%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	58.5	120	105%	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.
Power Utilities						
DonbasEnerg	DOEN	39.8	72.0	81%	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	7.40	15.00	103%	BUY	CenterEnerg's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	14.9	15.65	5%	BUY	The company is set to reach full capacity utilisation at its greenfield Vinnytsia project in late 2014 on the back of favorable export and domestic markets demand for its poultry.
Astarta	AST	45.0	90.0	100%	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	9.5	U/R	--	U/R	
Ovostar Union	OVO	73.0	58.74	-20%	SELL	Ovostar is one of the hardest-hit Ukrainian public companies from this year's UAH devaluation as some 70% of its production cost is linked to USD while only 7% of revenue earned in hard currency. Capacity expansion project for 2014-16 will likely be delayed, according to the management.
Banks						
Raiffeisen Bank Aval	BAVL	0.156	0.24	54%	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	1233.69	1254.58	799.72	0.6%	2.4%	4.9%	35.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.037	0.06	0.02	-0.5%	5.4%	11.0%	-4.1%	-1.1%	3.0%	6.2%	-39.7%
Azovstal	AZST	0.79	0.95	0.31	1.1%	3.3%	2.6%	18.2%	0.5%	0.9%	-2.3%	-17.4%
Dniprospezstal	DNSS	1,300	n/a	n/a	0.0%	0.0%	n/a	0.0%	-0.6%	-2.4%	n/a	-35.6%
Enakievo Steel	ENMZ	46.0	52.0	17.0	3.6%	6.6%	30.5%	43.7%	3.0%	4.2%	25.7%	8.1%
Arcelor Mittal KR	KSTL	4.00	n/a	n/a	0.0%	0.0%	n/a	247.8%	-0.6%	-2.4%	n/a	212.3%
Mariupol Ilyicha	MMKI	0.20	n/a	n/a	0.0%	11.1%	33.3%	100.0%	-0.6%	8.7%	28.5%	64.4%
Coke												
Avdiyivka Coke	AVDK	3.32	4.80	1.46	0.3%	2.8%	3.4%	12.2%	-0.3%	0.4%	-1.5%	-23.4%
Yasnyivsky Coking	YASK	0.71	0.84	0.30	-13.4%	-1.4%	14.5%	34.0%	-14.0%	-3.8%	9.6%	-1.6%
Iron Ore Mining												
Centralny GOK	CGOK	7.00	n/a	n/a	0.0%	-4.8%	-6.5%	7.7%	-0.6%	-7.2%	-11.4%	-27.9%
Ferrexpo	FXPO	2.11	3.20	2.02	-0.1%	-1.6%	-8.7%	-33.1%	-0.7%	-4.0%	-13.6%	-68.6%
Pivnichny GOK	SGOK	7.85	10.00	4.50	0.0%	-5.4%	-5.4%	-1.9%	-0.6%	-7.8%	-10.3%	-37.4%
Coal Mining												
Pokrovske Mine	SHCHZ	0.65	0.70	0.10	0.0%	8.3%	18.2%	62.5%	-0.6%	5.9%	13.3%	26.9%
Komsomolets Donbasa	SHKD	0.90	n/a	n/a	0.0%	-10.0%	-10.9%	45.2%	-0.6%	-12.4%	-15.8%	9.6%
Energy Coal	CLE	0.44	1.10	0.31	1.6%	0.1%	3.7%	24.6%	1.0%	-2.3%	-1.2%	-11.0%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.45	n/a	n/a	4.7%	12.5%	n/a	-2.2%	4.0%	10.1%	n/a	-37.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.88	1.01	0.30	0.0%	-6.4%	8.6%	46.7%	-0.6%	-8.8%	3.8%	11.1%
Interpipe NMPP	NVTR	0.39	n/a	n/a	0.0%	0.0%	44.4%	85.7%	-0.6%	-2.4%	39.6%	50.1%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	18.9	29.0	10.0	0.6%	6.2%	18.2%	9.3%	0.0%	3.8%	13.3%	-26.3%
Luhanskeplovoz	LTPL	1.36	2.20	1.04	0.0%	-1.4%	-8.1%	-9.3%	-0.6%	-3.8%	-13.0%	-44.9%
Stakhanov Wagon	SVGZ	1.01	n/a	n/a	-8.2%	-9.0%	0.0%	-22.3%	-8.8%	-11.4%	-4.9%	-57.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.06	0.08	0.02	-4.0%	-2.7%	47.0%	119.6%	-4.6%	-5.1%	42.1%	84.1%
Motor Sich	MSICH	2,371	2,545	1,303	0.8%	6.7%	15.4%	30.0%	0.2%	4.3%	10.5%	-5.6%
Sumy Frunze Engineering	SMASH	5.99	n/a	n/a	38.0%	38.0%	49.8%	139.6%	37.4%	35.6%	44.9%	104.0%
Turboatom	TATM	4.60	n/a	n/a	0.0%	15.0%	-8.0%	31.4%	-0.6%	12.6%	-12.9%	-4.1%
WESTA ISIC	WES	0.14	0.26	0.13	0.1%	-8.6%	-16.6%	3.3%	-0.5%	-11.0%	-21.5%	-32.3%
Telecom												
Ukrtelecom	UTLM	0.16	0.19	0.09	-7.5%	-7.5%	-1.0%	48.5%	-8.1%	-9.9%	-5.9%	12.9%
Oil & Gas												
Regal Petroleum	RPT	0.14	0.30	0.12	-0.3%	9.7%	-3.4%	-31.5%	-0.9%	7.3%	-8.2%	-67.0%
JKX Oil	JKX	0.99	1.21	0.78	-0.7%	1.8%	-0.8%	-16.2%	-1.3%	-0.6%	-5.7%	-51.8%
Ukrnafta	UNAF	257	271	80	-0.8%	0.4%	2.8%	136.6%	-1.5%	-2.0%	-2.1%	101.0%
Power Utilities												
Centrenerg	CEEN	7.40	8.00	2.50	1.0%	2.6%	9.9%	55.2%	0.4%	0.2%	5.0%	19.6%
Donbasenergo	DOEN	39.8	50.2	11.0	-1.5%	-5.1%	-11.9%	44.3%	-2.1%	-7.5%	-16.8%	8.7%
Zakhidenergo	ZAEN	144.0	157.0	64.0	-0.7%	-8.3%	3.7%	59.3%	-1.3%	-10.7%	-1.2%	23.7%
Consumer												
Agroton	AGT	1.04	1.8	0.43	17.4%	17.4%	35.5%	60.9%	16.8%	15.0%	30.6%	25.3%
Astarta	AST	14.7	24.4	12.1	0.1%	2.2%	11.2%	-33.9%	-0.5%	-0.2%	6.3%	-69.4%
Avangardo	AVGR	9.5	13.0	8.26	-3.7%	-5.6%	9.5%	-18.9%	-4.3%	-8.0%	4.7%	-54.5%
Industrial Milk Company	IMC	3.40	5.14	2.49	1.9%	4.0%	15.2%	-15.9%	1.3%	1.7%	10.4%	-51.5%
Kernel	KER	11.3	17.7	7.6	0.6%	3.7%	28.3%	-10.9%	0.0%	1.4%	23.4%	-46.4%
Mriya Agro Holding	MAYA	6.12	8.2	5.52	-2.5%	-4.2%	-14.4%	-17.8%	-3.1%	-6.6%	-19.3%	-53.4%
MHPC	MHPC	14.9	18.7	11.00	0.3%	2.4%	6.5%	-12.4%	-0.3%	0.0%	1.6%	-48.0%
Milkiland	MLK	2.34	4.7	1.71	9.9%	8.5%	36.0%	-43.7%	9.3%	6.1%	31.1%	-79.3%
Ovostar Union	OVO	23.9	33.3	19.4	-1.3%	1.5%	7.1%	-28.2%	-1.9%	-0.9%	2.3%	-63.8%
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
Chemicals												
Stirol	STIR	12.5	n/a	n/a	-3.3%	-3.3%	-8.3%	0.2%	-3.9%	-5.7%	-13.2%	-35.4%
Banks												
Raiffeisen Bank Aval	BAVL	0.156	0.188	0.077	1.2%	2.0%	-3.4%	37.0%	0.6%	-0.4%	-8.2%	1.4%
UkrSotsbank	USCB	0.166	0.257	0.120	-0.7%	-0.2%	-1.1%	-11.6%	-1.3%	-2.6%	-6.0%	-47.2%

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
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	46	29	neg	5.0%	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	158	135	65	15	15.2%	15.3%	9.7%	95	42	-5	10.7%	9.8%	neg
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	214	280	51	90	96	32.2%	42.1%	34.4%	38	72	69	23.8%	33.5%	24.8%
Motor Sich	MSICH	979	1,000	950	309	274	260	31.6%	27.4%	27.4%	200	169	167	20.4%	16.9%	17.5%
Telecom																
Ukrtelecom	UTLM	838	791	611	206	190	174	24.5%	24.0%	28.5%	45	17	26	5.4%	2.2%	4.3%
Oil & Gas																
Ukrnafta	UNAF	2,554	2,589	2,713	454	286	307	17.8%	11.1%	11.3%	176	23	114	6.9%	0.9%	4.2%
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																
Centrenergo	CEEN	1,119	915	816	69	94	86	6.2%	10.3%	10.5%	29	60	56	2.6%	6.5%	6.8%
Donbasenergo	DOEN	574	656	585	32	72	51	5.6%	11.0%	8.8%	4	65	46	0.7%	9.9%	7.8%
Consumer																
MHP	MHPC	1,408	1,496	1,466	468	391	479	33.2%	26.1%	32.7%	311	162	-44	22.1%	10.8%	neg
Kernel	KER	2,157	2,797	2,480	322	291	175	14.9%	10.4%	7.1%	211	105	47	9.8%	3.8%	1.9%
Astarta	AST	456	491	559	110	91	138	20.2%	15.5%	20.5%	58	34	82	10.6%	5.8%	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	81	90	20	8	3	23.2%	9.2%	3.9%	7	-6	-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	32	0.5%	10.1%	3.7%
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			
Steel																		
Alchevsk Steel	ALMK	80	3.9%	3	1,429	neg	neg	neg	neg	neg	neg	0.8	0.8	0.8	369	344	334	\$/tonne
Yenakievo Steel	ENMZ	41	8.8%	4	36	4.7	neg	neg	neg	1.6	1.1	0.0	0.0	0.0	13	13	12	\$/tonne
Azovstal	AZST	279	3.0%	8	264	neg	neg	neg	neg	neg	7.5	0.1	0.1	0.1	57	58	58	\$/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	16	9.0%	1	17	1.9	neg	3.5	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	688	0.3%	2	686	7.2	3.5	4.2	3.0	2.2	2.5	1.1	1.0	1.1				
Pivnichny GOK	SGOK	1,517	0.4%	6	1,510	3.5	2.8	3.3	2.0	1.7	1.9	1.1	0.9	1.0				
Ferrexpo	FXPO	1,235	24.0%	297	1,914	5.7	4.7	6.3	4.8	3.8	4.3	1.3	1.2	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	25	5.4%	1	127	3.5	1.5	1.5	1.0	1.4	1.4	0.5	0.6	0.5	31	30	28	\$/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	192	2.0%	4	237	5.7	>30	>30	4.6	7.6	7.8	0.5	0.8	0.7	377	625	594	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	25	24.0%	6	62	5.2	1.3	1.1	2.1	1.7	1.6	0.3	0.2	0.2				
Krukiv Wagon	KVBZ	182	5.0%	9	182	1.9	4.4	neg	1.3	2.8	11.8	0.2	0.4	1.2				
Stakhanov Wagon	SVGZ	19	8.0%	2	52	>30	>30	>30	7.2	8.8	9.5	0.2	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	124	5.8%	7	58	3.3	1.7	1.8	1.1	0.6	0.6	0.4	0.3	0.2				
Motor Sich	MSICH	413	24.0%	99	436	2.1	2.4	2.5	1.4	1.6	1.7	0.4	0.4	0.5				
Telecom																		
Ukrtelecom	UTLM	256	7.2%	18	560	5.7	15.1	9.7	2.7	2.9	3.2	0.7	0.7	0.9				
Oil & Gas																		
Ukrnafta	UNAF	1,168	3.0%	35	1,160	6.6	>30	10.2	2.6	4.1	3.8	0.5	0.4	0.4	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	46	21.6%	10	21	4.0	neg	23.1	1.0	neg	0.8	0.5	0.6	0.5	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	170	50.4%	86	279	neg	26.2	21.8	2.0	4.2	4.1	1.4	1.5	1.4	51	38	37	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	229	21.7%	50	308	7.9	3.8	4.1	4.5	3.3	3.6	0.3	0.3	0.4	17	22	19	\$/MWh
DonbasEnergO	DOEN	79	14.2%	11	144	20.6	1.2	1.7	4.5	2.0	2.8	0.3	0.2	0.2	18	19	18	\$/MWh
Consumer																		
MHP	MHPC	1,574	34.1%	537	2,702	5.1	9.7	neg	5.8	6.9	5.6	1.9	1.8	1.8				\$/tonne
Kernel	KER	899	61.8%	556	1,605	4.3	8.6	19.1	5.0	5.5	9.2	0.7	0.6	0.6				
Astarta	AST	368	37.0%	136	702	6.3	10.8	4.5	6.4	7.7	5.1	1.5	1.4	1.3				\$/tonne
Avangardco	AVGR	609	22.5%	137	716	2.7	2.6	2.0	2.6	2.4	1.9	1.1	1.1	0.9	162	123	116	\$/mneegs
Agroton	AGT	23	26.2%	6	72	3.3	neg	neg	3.5	9.5	20.6	0.8	0.9	0.8	n/a	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	392	3.5%	14		>30	4.4	12.4	0.5	0.4	0.5	0.07	0.07	0.08				
Ukrsotsbank	USCB	256	0.7%	2		>30	>30	17.9	0.3	0.2	0.3	0.07	0.06	0.07				

Source: Eavex Research

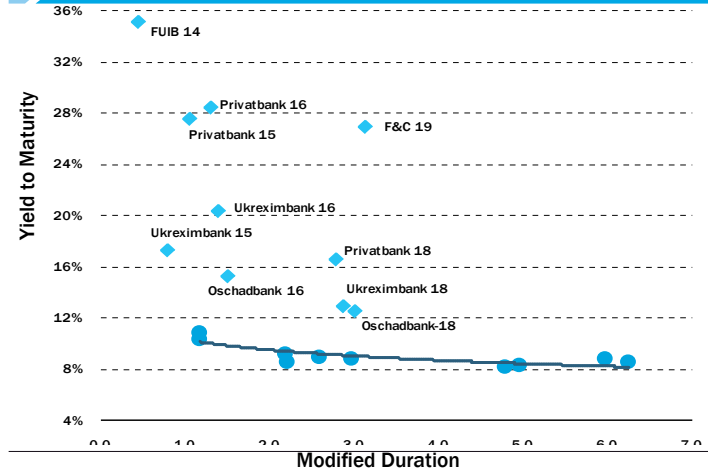
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings ¹
Sovereign Eurobonds											
Naftogaz Ukraine, 2014	97.8	98.6	18.1%	14.8%	-2.3%	0.2	9.50%	S/A	30 Sept 2014	1,595	//
Ukraine, 2015 (EUR)	94.7	96.4	10.4%	8.7%	-0.5%	1.1	4.95%	A	13 Oct 2015	600*	Caa3/CCC/CCC
Ukraine, 2015	98.0	99.3	9.5%	8.3%	1.0%	1.1	6.875%	S/A	23 Sept 2015	500	Caa3/CCC/CCC
Ukraine, 2016	97.3	98.3	8.2%	7.7%	4.0%	2.2	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC/CCC
Ukraine, 2016-2	97.1	98.1	7.8%	7.3%	3.5%	2.2	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC/CCC
Ukraine, 2017	96.2	97.5	8.3%	7.9%	4.4%	2.9	6.75%	S/A	14 Nov 2017	700	Caa3/CCC/CCC
Ukraine, 2017-2	102.3	102.8	8.7%	8.5%	3.4%	2.5	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC/CCC
Ukraine, 2017 Infr. projects	90.8	92.3	13.0%	12.3%	10.7%	2.7	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	91.0	92.1	11.1%	10.7%	16.6%	3.1	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	97.2	98.7	8.6%	8.2%	5.3%	4.7	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC/CCC
Ukraine, 2021	97.9	99.4	8.5%	8.2%	5.3%	4.9	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC/CCC
Ukraine, 2022	95.2	96.7	8.7%	8.4%	5.3%	5.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC/CCC
Ukraine, 2023	94.3	95.8	8.4%	8.2%	5.0%	6.2	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC/CCC
Corporate Eurobonds											
Agroton, 2014	29.8	33.9	69.8%	59.2%	-39.0%	1.7	8.00%	S/A	14 Jul 2019	50	/CCC/RD
MHP, 2015	101.5	103.5	10.5%	8.8%	-1.0%	0.8	10.25%	S/A	29 Apr 2015	235	Caa2//CCC
MHP, 2020	90.9	92.3	10.4%	10.0%	2.5%	4.3	8.25%	S/A	2 Apr 2020	750	/CCC/CCC
Avangardco, 2015	96.1	97.0	15.6%	14.6%	-3.4%	1.2	10.00%	S/A	29 Oct 2015	200	//B-
UkrLandFarming, 2018	90.0	90.0	14.4%	14.4%	-0.2%	2.8	10.88%	S/A	26 Mar 2018	275	/CCC/CCC
Mriya, 2016	92.5	95.0	18.9%	16.6%	-6.5%	1.5	10.95%	S/A	30 Mar 2016	72	/CCC/CCC
Mriya, 2018	78.3	81.3	17.5%	16.2%	-8.4%	2.9	9.45%	S/A	19 Apr 2018	400	/CCC/CCC
DTEK, 2015	94.0	96.0	23.3%	19.2%	-7.1%	0.7	9.50%	S/A	28 Apr 2015	200	Caa2//CCC
DTEK, 2018	83.5	84.4	13.6%	13.2%	-10.9%	3.0	7.88%	S/A	4 Apr 2018	750	Caa2//CCC
Metinvest, 2015	96.5	97.5	18.5%	16.7%	-2.6%	0.8	10.25%	S/A	20 May 2015	500	Caa2//CCC
Metinvest, 2018	87.1	88.7	13.8%	13.2%	-7.5%	2.8	8.75%	S/A	14 Feb 2018	750	Caa2//CCC
Ferrexpo, 2016	96.5	98.5	11.0%	9.5%	-0.5%	1.6	7.875%	S/A	07 Apr 2016	500	/CCC/CCC
UZ Rail, 2018	87.9	89.8	13.6%	12.9%	-3.1%	3.1	9.50%	S/A	21 May 2018	500	/CCC/CCC
Interpipe, 2017	77.3	78.8	22.1%	20.6%	0.4%	2.3	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	105.2	107.1	10.0%	9.4%	-4.3%	3.0	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	55.0	65.0	26.9%	21.7%	-27.7%	3.1	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2014	90.5	90.5	31.5%	31.5%	-8.1%	0.4	11.00%	Q	31 Dec 2014	275	Caa3//
Nadra Bank, 2017	60.0	65.0	47.8%	40.3%	-22.4%	2.6	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	85.0	90.0	31.3%	23.4%	n/a	1.0	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	76.0	79.6	26.4%	22.7%	10.7%	1.3	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	85.0	91.0	16.5%	14.1%	5.1%	2.8	10.88%	S/A	28 Feb 2018	175	Caa3//CCC
UkrEximBank, 2015	94.0	95.5	20.8%	17.9%	-1.8%	0.7	8.38%	S/A	27 Apr 2015	750	Caa3//CCC
UkrEximBank, 2016	82.0	84.0	21.7%	19.7%	-2.7%	1.4	8.40%	S/A	2 Sept 2016	125	Caa3//CCC
UkrEximBank, 2018	89.3	91.0	12.6%	11.9%	1.0%	2.8	8.75%	S/A	22 Jan 2018	500	Caa3//CCC
VAB Bank, 2014	n/a	n/a	n/a	n/a	n/a	n/a	10.50%	Q	14 Jun 2014	125	Caa3//WD
Oschadbank, 2016	89.0	91.9	18.2%	15.5%	-2.8%	1.4	8.25%	S/A	10 Mar 2016	700	Caa3//CCC
Oschadbank, 2018	87.1	88.6	13.4%	12.7%	-1.3%	2.9	8.88%	S/A	20 Mar 2018	500	Caa3//CCC
Municipal Eurobonds											
City of Kyiv, 2015	90.5	92.4	18.3%	16.3%	-1.6%	1.2	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	89.0	92.0	15.9%	14.0%	-2.7%	1.7	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

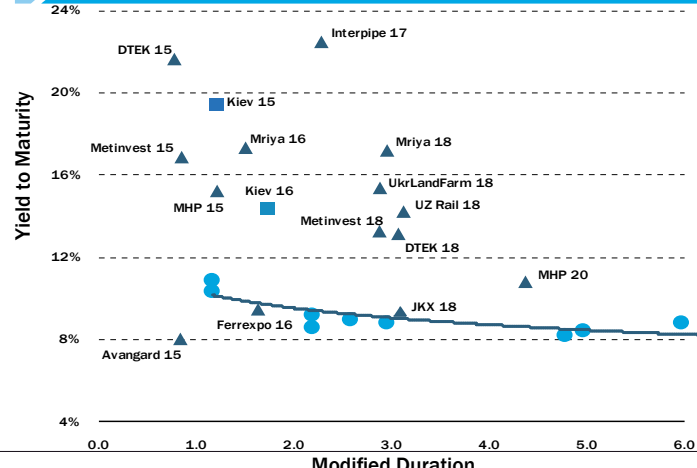
¹ Moody's/S&P/Fitch; * EUR

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
UAH denominated Bonds									
UA4000141592			17.0%	13.5%	n/a	14.30%	S/A	20 May 2015	31
UA4000142665			18.0%	14.5%	n/a	14.30%	S/A	24 May 2017	184
USD denominated Bonds									
UA4000142699	n/a	n/a	18.0%	17.0%	n/a	9.45%	S/A	22 Apr 2015	312
UA4000141071	n/a	n/a	18.0%	17.0%	n/a	9.45%	S/A	27 May 2015	152
UA4000142673	n/a	n/a	18.0%	17.0%	n/a	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000142681	n/a	n/a	18.0%	14.0%	n/a	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			17.5%	16.0%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			17.5%	16.0%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			17.5%	16.0%	n/a	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

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