

Market Update

Equity

Kyiv-listed stocks finished mixed on Tuesday (Mar 24), with the UX index inching up by 0.3% to 1054 points. News that Ukraine needs to reach agreement with its creditors on a debt restructuring by mid-June, as this is a deadline before first revision of the new IMF aid program, created a certain nervousness in the market. Among actively traded stocks, UkrNafta (UNAF) and Motor Sich (MSICH) each shed around half a percent. Low-liquidity blue chip Yenakievo Steel (ENMZ) advanced by 4.8% to UAH 17.80 on news that the company is resuming production after one month disruption caused by logistics problems in the war zone in the east of the country. Beaten-down DonbasEnergO (DOEN) added 4.5% to UAH 22.62 thanks to information about a potential buy-back offer at UAH 23.00 per share. In London trading, Ferrexpo (FXPO) added 3.4% to near Gbp 61 and Regal Petroleum (RPT) jumped 10% to Gbp 5.00. Warsaw-listed Kernel (KER) slid 5.0% to PLN 36.30 on more profit taking after a surge last week.

Fixed Income

Ukrainian sovereigns were sluggish on Tuesday with Ukraine-23s inching up by 0.1p.p. to 40.3/41.5 (25.1%/24.4%). The corporate universe was predominantly flat. MHP-20s edged down by 0.2p.p. to 64.7/66.2 (19.6%/19.0%) and Metinvest-18s finished unchanged at 40.0/42.0 (50.2%/47.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2755.00	-0.4%	1.3	61
Ukrtelecom	UTLM	0.16	6.0%	1.3	111
CentrenergO	CEEN	8.01	-1.0%	1.2	34

Growth Leaders

Ukrtelecom	UTLM	0.16	6.0%	1.27	111
Yenakievo Steel	ENMZ	17.87	4.8%	0.17	8
DonbasenergO	DOEN	22.62	4.5%	0.03	33

Loss Leaders

Azovstal	AZST	0.78	-1.3%	0.044	27
CentrenergO	CEEN	8.01	-1.0%	1.150	34
Ukrnafta	UNAF	304.00	-0.6%	0.556	45

Highlights

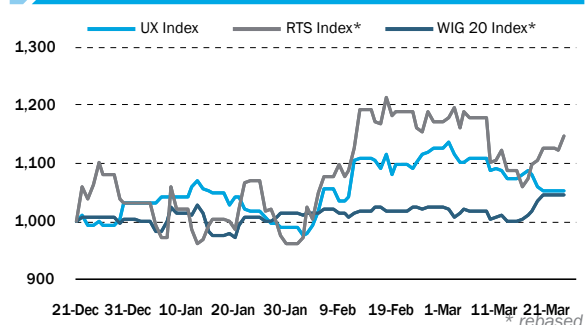
STOCKS IN THE NEWS

- DonbasEnergO Net Profit Drops 5.3x YoY to UAH 100mn in FY14

FIXED INCOME

- DTEK Offers Bondholders 20% Cash in Return For Maturity Extension from 2015 to 2019
- Metinvest Resumes Operations at Yenakievo Steel, Runs Mariupol's mills at 75-80% Capacity Use

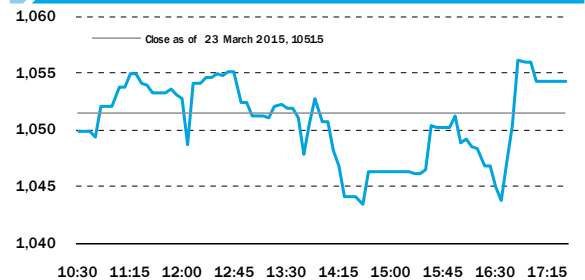
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1054.4	0.3%	-4.1%	2.0%
RTS	880.3	2.5%	-3.3%	11.3%
WIG20	2412.3	-0.1%	2.7%	4.2%
MSCI EM	978.3	0.3%	-0.6%	2.3%
S&P 500	2091.5	-0.6%	-0.9%	1.6%

UX INTRADAY MARCH 24, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	415.4	0.1%	1.4%	2.8%
CDS 5Y UKR	1678.4	-19.2%	-7.8%	-24.8%
Ukraine-17	50.0%	0.2 p.p.	9.7 p.p.	24.3 p.p.
Ferrexpo-16	32.9%	0.1 p.p.	-0.4 p.p.	1.5 p.p.
Ukraine-23	24.8%	-0.1 p.p.	2.3 p.p.	17.3 p.p.
Privatbank-16	249.5%	1.0 p.p.	125.8 p.p.	164.1 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	23.23	2.5%	-17.1%	46.8%
EUR	25.37	2.3%	-20.4%	32.6%
RUB	0.40	4.3%	-10.5%	46.4%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	208.2	0.0%	-2.4%	-15.4%
Steel, USD/t	390.0	0.0%	-1.9%	-13.3%
Oil, USD/bbl	55.1	-1.4%	-9.3%	-6.9%
Gold, USD/oz	1193.3	0.3%	-0.7%	0.7%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

DonbasEnergo Net Profit Drops 5.3x YoY to UAH 100mn in FY14

by Dmitry Churin
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DONBASENERGO (DOEN UK)

Price: UAH 22,62 Market Cap: USD 23mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2014E	0.3	0.1	2.7*	2.6	5.7%
2015E	0.0	0.3	9.6	14.8	3.1%

*actual

NEWS

DonbasEnergo, Ukraine's fifth-largest thermal electricity generation company, reported a net profit of UAH 100mn (USD 8.4mn at the average UAH/USD exchange rate for 2014), representing a drop of 5.3x in UAH terms, according to the announcement for the company's general shareholder meeting published on Mar 20. DonbasEnergo did not unveil any other P&L items in the statement. The shareholders meeting is scheduled for Apr 24 in Kyiv.

COMMENTARY

DonbasEnergo's announced net profit was far below our original forecast of UAH 480mn issued in 3Q14, as the company had a net loss of UAH 624mn in 4Q14 as a result of coal supply disruptions to both its Slavyansk and Starobeshevo power plants (the latter is on its way to being nationalized by the Donbass separatist authorities). Nevertheless, the main point about the scheduled shareholder meeting is that the company is obligated to pay out 30% of its FY14 net profit as a dividend, since a 25% stake in the company is still owned by the state. We estimate that the dividend will amount to UAH 1.28 per share, implying a 5.7% dividend yield at the current share price. Importantly, there is an item of so-called "significant deals approval" on the agenda of the shareholder meeting. According to Ukrainian law, shareholders who vote against the 'significant deals' have the right to sell their shares to the company at a market price on the day before the official announcement of the shareholder meeting, creating an arbitrage opportunity. We assume that the buy back price for DOEN will be set at UAH 23.09, compared to Tuesday's close of UAH 22.62.

DTEK Offers Bondholders 20% Cash in Return For Maturity Extension from 2015 to 2019

by Dmitry Churin
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NEWS

Vertically-integrated thermal power plant operator DTEK, the largest private energy company in Ukraine, has asked holders of its outstanding USD 200mn Eurobonds coming due on Apr 28 to exchange 80% of the bonds for a new issue, according to DTEK's announcement on the London Stock Exchange released on Monday (Mar 23). DTEK will pay a cash consideration of USD 200 per USD 1,000 nominal amount of existing notes. The new Eurobond 4-year issue in the amount of USD 170mn and carrying a 10.375% coupon rate was offered to investors who agree to the exchange. For bondholders agreeing by Apr 8, DTEK will pay a fee of USD 20 per USD 1,000 nominal amount of existing notes. The offer is set to expire at 5pm on Apr 22 (US Eastern Time). The minimum acceptance threshold for going ahead with the exchange was set by DTEK at 85%. If the minimum acceptance condition is not satisfied DTEK will try to force bondholders to exchange notes by applying to the High Court of Justice of England and Wales. If the exchange offer is not consummated and the court ruling is not approved, DTEK is likely to be unable to repay the principal outstanding on the existing notes on their stated maturity date. This would trigger an event of default under the existing notes and cross defaults under certain of the issuer's other indebtedness.

On 31 Dec 2014, DTEK had total debt of UAH 54.4bn (USD 3.5bn), of which 92% is in foreign currency. Most debt maturities fall over 2015-2018. DTEK's liquidity is supported by cash and cash equivalents of USD 513mn. The group's Net Debt/EBITDA ratio was 2.92x at the end of FY14.

COMMENTARY

DTEK's exchange offer for its bonds due on Apr 28 was fully expected by the market. Earlier this month, Fitch downgraded DTEK's Long-term foreign and local currency Issuer Default Ratings (IDR) to 'C' from 'CCC'. Fitch said the rating reflects DTEK's weak operating environment as well as high refinancing and currency devaluation risks. Certainly, DTEK's liquidity at the end of FY14 was insufficient to cover the forthcoming short-term debt maturities, including the April notes. In our opinion, it will be a challenge for DTEK to gain 85% support from its bondholders for the exchange, despite the increase in the coupon from 9.50% to 10.375% and the 20% cash redemption on the date of original maturity next month. In case DTEK manages to prolong redemption of USD 170mn, it will have a much-needed positive effect on the company's overall liquidity and operations. DTEK's vertically integration business model is under threat from loss of access to much of its coal mining capacity in Donbass separatist-held territory.

DTEK's 2018 Eurobonds are currently quoted at 34.0/37.0 (55.1%/50.8%), which reflects the company's exposure to territories not controlled by the Ukrainian government.

Metinvest Resumes Operations at Yenakievo Steel, Runs Mariupol's mills at 75-80% Capacity Use

by Ivan Dzvinka
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NEWS

Metinvest, Ukraine's largest metals and mining holding, resumed production at its steel mill in Yenakievo on March 20, the group reported on its website on Tuesday (Mar 24). The group had suspended operations at the mill back on Feb 6 due to damaged railway infrastructure that has resulted from the Donbass war. The group intends to reach capacity use of 80% (~220,000 tonnes) at Yenakievo in April. Yenakievo's order book for April amounts to 200,000 tonnes of processed steel.

In another news, Metinvest stated its Mariupol-based plants (Azovstal and MMK Illich) are now operating at capacity use of 75-80% while Zaporizhstal is running at almost 100% capacity utilization.

COMMENTARY

This is the second time that Metinvest has halted, and then relaunched, operations at Yenakievo following two months of suspension from mid-August to mid-October last year. The previously time, the plant managed to show a 3.8x expansion in its daily output from 1,700 tonnes in the second part of October to 6,300 tonnes in December (monthly output of almost 200,000 tonnes). In addition, early this year Metinvest said it intends to launch energy-efficient pulverized coal injection (PCI) technology at Yenakievo in 1H15. PCI reduces natural gas and coke use in the hot metal production process by some 90% and 20% respectively. On the other hand, as we have said before, the production expansion at Donbass-based mills of the group as well as implementation of energy-efficient technology will crucially depend on a sharp reduction in armed hostilities in the Donbass region as a necessary precondition. The most recent ceasefire has been in place for 5 weeks, and has largely been holding up.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	36.0	50.2	39%	BUY	Hedging approach to making business, no devaluation risk, limited political risk due to lack of assets in the Donbass, and a U-turn in the farming segment in the 2014-15 season make Kernel's stock our current top investment story.
MHP	MHPC LI	9.2	17.96	95%	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 PW	22.5	90.0	300%	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 LI	3.0	2.7	-13%	HOLD	Loss of the company's output at war-hit Donbass together with UAH devaluation will lead to lower EBITDA in 2015 after some 55% drop in 2014.
Ovostar Union	OVO PW	69.5	80.8	16%	HOLD	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 15% of revenue earned in hard currency.
Iron Ore						
Ferrexpo	FXPO LN	60.0	48.0	-20%	SELL	Exacerbated issue of global ore oversupply together with sluggish growth in demand will likely keep iron ore prices at depressed level at least in the short run boding bad for Ferrexpo's earnings.
Steel						
Azovstal	AZST	0.78	0.56	-28%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	1.38	U/R	--	Susp.	Avdyivka Coke experienced several artillery attacks since August 2014 due to its location near the border of occupied territory.
Specialized Machinery						
Motor Sich	MSICH	2755	5250	91%	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	4.3	U/R	--	U/R	The company has been constantly missed production targets since 2012.
JKX Oil & Gas	JKX	33.3	U/R	--	U/R	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						
DonbasEnergO	DOEN	22.6	U/R	--	U/R	DNR Intends to Nationalize DonbasEnergO-Owned Power Plant. The Starobeshevo plant accounts for about 70% of DonbasEnergO's installed power-generating capacity.
CenterEnergO	CEEN	8.01	15.00	87%	BUY	CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Banks						
Raiffeisen Bank Aval	BAVL	0.101	0.24	138%	BUY	The bank has quite conservative risk policy therefore we assume it would weathered the current financial crisis in Ukraine and will start to generate solid profit starting from FY16.

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	1054.36	1368.76	908.88	0.3%	-3.2%	-4.1%	2.0%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.012	0.045	0.011	1.7%	-14.0%	-12.1%	-15.2%	1.4%	-10.8%	-8.1%	-17.2%
Azovstal	AZST	0.78	0.95	0.35	-1.3%	-4.0%	-7.3%	4.2%	-1.5%	-0.8%	-3.2%	2.1%
Enakievo Steel	ENMZ	17.87	65.00	14.81	2.1%	5.1%	-4.1%	-14.7%	1.8%	8.3%	-0.1%	-16.7%
Coke												
Avdyivka Coke	AVDK	1.38	3.62	1.10	-0.1%	-4.6%	-1.6%	-20.3%	-0.4%	-1.5%	2.5%	-22.4%
Yasynivsky Coking	YASK	0.38	0.84	0.18	0.0%	8.6%	46.2%	35.7%	-0.3%	11.7%	50.2%	33.7%
Iron Ore Mining												
Centralny GOK	CGOK	9.20	n/a	n/a	0.0%	0.0%	9.5%	18.1%	-0.3%	3.2%	13.6%	16.1%
Ferrexpo	FXPO	60.00	162.10	47.91	1.7%	-0.4%	-7.0%	13.2%	1.4%	2.7%	-2.9%	11.2%
Pivnichny GOK	SGOK	8.30	12.30	4.44	0.0%	-2.4%	-1.2%	-0.8%	-0.3%	0.8%	2.9%	-2.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.48	0.79	0.17	0.0%	0.0%	0.0%	2.1%	-0.3%	3.2%	4.1%	0.1%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.41	1.01	0.20	2.5%	-25.5%	-4.7%	7.9%	2.2%	-22.3%	-0.6%	5.9%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	11.48	21.60	10.00	4.4%	-3.1%	-6.7%	-10.7%	4.1%	0.0%	-2.6%	-12.7%
Luhanskeplovoz	LTPL	1.50	1.80	0.85	0.0%	0.0%	25.0%	38.9%	-0.3%	3.2%	29.1%	36.9%
Specialized Machinery												
Motor Sich	MSICH	2755	2939	1587	-0.4%	-1.6%	-2.5%	11.0%	-0.7%	1.6%	1.6%	8.9%
Turboatom	TATM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Telecom												
Ukrtelecom	UTLM	0.16	0.20	0.09	7.0%	7.3%	13.4%	5.9%	6.7%	10.5%	17.4%	3.9%
Oil & Gas												
Regal Petroleum	RPT	4.25	11.50	3.13	-6.6%	0.1%	-5.6%	36.0%	-6.9%	3.3%	-1.5%	34.0%
JKX Oil	JKX	33.25	62.00	11.00	-0.7%	-6.3%	9.0%	177.1%	-1.0%	-3.2%	13.1%	175.0%
Ukrnafta	UNAF	304.0	375.0	54.0	-0.6%	-0.9%	0.2%	49.5%	-0.9%	2.3%	4.2%	47.5%
Power Utilities												
Centrenergo	CEEN	8.01	8.70	3.00	-1.0%	-1.7%	3.8%	6.2%	-1.3%	1.5%	7.8%	4.2%
Donbasenergo	DOEN	22.62	50.16	11.00	3.9%	-9.3%	-24.6%	-31.5%	3.6%	-6.1%	-20.5%	-33.5%
Zakhidenergo	ZAEN	176.5	199.8	91.2	0.7%	9.1%	27.7%	19.2%	0.5%	12.2%	31.8%	17.1%
Consumer												
Agroton	AGT	1.24	3.19	1.19	0.0%	-4.6%	-6.1%	0.8%	-0.3%	-1.5%	-2.0%	-1.2%
Astarta	AST	22.50	48.22	14.50	-0.7%	-6.3%	-7.1%	12.5%	-1.0%	-3.1%	-3.0%	10.5%
Avangardo	AVGR	3.05	10.27	1.83	0.0%	-4.8%	1.5%	48.5%	-0.3%	-1.7%	5.6%	46.5%
Industrial Milk Company	IMC	5.46	10.39	5.00	-0.7%	-0.4%	-20.9%	-3.7%	-1.0%	2.8%	-16.8%	-5.7%
Kernel	KER	36.00	38.89	22.00	-5.7%	8.1%	14.6%	26.5%	-6.0%	11.3%	18.7%	24.5%
Mriya Agro Holding	MAYA	0.43	5.60	0.36	0.0%	0.0%	-12.4%	-23.7%	-0.3%	3.2%	-8.4%	-25.7%
MHPC	MHPC	9.20	15.77	8.24	-0.4%	2.2%	-8.0%	0.0%	-0.7%	5.4%	-3.9%	-2.0%
Milkiland	MLK	2.64	8.59	1.48	-4.3%	2.7%	-16.5%	78.4%	-4.6%	5.9%	-12.4%	76.3%
Ovostar Union	OVO	69.50	76.74	64.00	0.0%	-0.1%	-1.5%	-3.5%	-0.3%	3.1%	2.6%	-5.5%
Chemicals												
Stirol	STIR	8.80	n/a	n/a	0.0%	0.0%	3.5%	27.0%	-0.3%	3.2%	7.6%	24.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.101	0.190	0.086	0.7%	-4.5%	1.6%	4.9%	0.4%	-1.4%	5.7%	2.9%
UkrSotsbank	USCB	0.109	0.200	0.090	0.0%	0.5%	-2.3%	-16.7%	-0.3%	3.6%	1.8%	-18.7%

Source: Bloomberg

* companies listed abroad are in traded currency

MAIN FINANCIAL FORECASTS, USD mn

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E
Steel																
Alchevsk Steel	ALMK	1,729	700	346	-62	-83	-124	neg	neg	neg	-214	-1,683	-235	neg	neg	neg
Enakievo Steel	ENMZ	1,507	1,250	1,063	-7	45	51	neg	3.6%	4.8%	-61	-125	-59	neg	neg	neg
Azovstal	AZST	2,562	1,793	1,524	-81	153	114	neg	8.5%	7.5%	-308	77	50	neg	4.3%	3.3%
Coke																
Avdyivka Coke	AVDK	914	509	382	46	-54	-57	5.0%	neg	neg	-6	-75	-82	neg	neg	neg
Yasynivsky Coking	YASK	367	198	159	29	-4	-7	7.8%	neg	neg	-3	-13	-13	neg	neg	neg
Iron Ore Mining																
Centralny GOK	CGOK	679	611	550	312	223	165	46.0%	36.5%	30.1%	194	115	80	28.6%	18.8%	14.6%
Pivnichny GOK	SGOK	1,630	1,467	1,320	914	649	481	56.1%	44.2%	36.4%	548	324	226	33.7%	22.1%	17.2%
Ferrexpo	FXPO	1,581	1,388	1,059	506	496	256	32.0%	35.8%	24.2%	264	184	98	16.7%	13.2%	9.2%
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	310	193	92	31	43	18	10.1%	22.6%	19.3%	5	23	2	1.5%	11.7%	2.0%
Railcar Manufacturing																
Luhanskteplovoz	LTPL	329	127	n/a	36	-2	n/a	10.8%	neg	n/a	19	-16	n/a	5.9%	neg	n/a
Kryukiv Wagon	KVBZ	462	133	67	50	-6	5	10.9%	neg	7.5%	42	-23	-4	9.0%	neg	neg
Specialized Machinery																
Turboatom	TATM	214	164	114	90	73	36	42.1%	44.6%	32.0%	72	53	23	33.5%	32.4%	20.0%
Motor Sich	MSICH	1,053	879	460	384	342	158	36.5%	38.9%	34.3%	162	129	67	15.4%	14.7%	14.5%
Telecom																
Ukrtelecom	UTLM	791	368	224	190	105	71	24.0%	28.5%	31.5%	17	16	8	2.2%	4.3%	3.5%
Oil & Gas																
Ukrnafta	UNAF	2,589	1,808	1,059	286	160	132	11.1%	8.8%	12.5%	23	32	12	0.9%	1.8%	1.1%
Regal Petroleum	RPT	37	38	35	-146	16	13	neg	42.1%	37.1%	-127	2	3	neg	5.3%	8.6%
JKX Oil	JKX	181	146	150	66	12	70	36.7%	7.9%	46.7%	7	-80	5	3.6%	neg	3.3%
Electric Utilities																
Centrenergo	CEEN	915	544	605	94	33	23	10.3%	6.1%	3.7%	60	5	9	6.5%	1.0%	1.5%
Donbasenergo	DOEN	656	458	196	72	20	4	11.0%	4.4%	1.8%	65	8	2	9.9%	1.8%	1.2%
Consumer																
MHP	MHPC	1,496	1,524	1,544	391	537	550	26.1%	35.2%	35.6%	162	-337	97	10.8%	neg	6.3%
Kernel	KER	2,797	2,393	2,250	291	223	325	10.4%	9.3%	14.4%	105	-107	125	3.8%	neg	5.6%
Astarta	AST	491	465	396	91	154	123	15.5%	27.5%	25.9%	34	-54	30	5.8%	neg	6.3%
Avangardco	AVGR	661	443	405	301	130	109	45.6%	29.3%	26.9%	238	-11	32	36.0%	neg	7.9%
Ovostar	OVO	81	75	79	36	32	25	43.7%	43.1%	31.6%	31	30	24	38.0%	40.0%	30.7%
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	5,333	2,869	2,765	888	390	376	723	327	276	90	-87	-41	10.1%	-22.2%	-10.9%
Ukrsotsbank	USCB	5,283	1,595	2,588	1,064	303	447	115	130	115	1	-19	-18	0.1%	-6.1%	-3.9%

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		
				2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E			
Steel																		
Alchevsk Steel	ALMK	14	3.9%	1	2,627	neg	neg	neg	neg	neg	neg	1.5	3.8	7.6	679	633	615	\$/tonne
Yenakievo Steel	ENMZ	8	8.8%	1	6	neg	neg	neg	neg	0.1	0.1	0.0	0.0	0.0	2	2	2	\$/tonne
Azovstal	AZST	140	3.0%	4	134	neg	1.8	2.8	neg	0.9	1.2	0.1	0.1	0.1	29	30	29	\$/tonne
Coke																		
Avdyivka Coke	AVDK	12	6.8%	1	-28	neg	neg	neg	-0.6	neg	neg	0.0	-0.1	-0.1	-6	-7	-7	\$/tonne
Yasynivsky Coke	YASK	4	9.0%	0	5	neg	neg	neg	0.2	neg	neg	0.0	0.0	0.0	0.2	neg	neg	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	464	0.3%	1	463	2.4	4.0	5.8	1.5	2.1	2.8	0.7	0.8	0.8				
Pivnichny GOK	SGOK	823	0.4%	3	817	1.5	2.5	3.6	0.9	1.3	1.7	0.5	0.6	0.6				
Ferrexpo	FXPO	522	24.0%	125	1,200	2.0	2.8	5.3	2.4	2.4	4.7	0.8	0.9	1.1				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	46	2.0%	1	92	9.8	2.0	24.9	2.9	2.1	5.2	0.3	0.5	1.0	145	241	229	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	14	24.0%	3	51	0.7	neg	n/a	1.4	neg	n/a	0.2	0.4	n/a				
Krukiv Wagon	KVBZ	57	5.0%	3	51	1.4	neg	neg	1.0	neg	10.1	0.1	0.4	0.8				
Specialized Machinery																		
Turboatom	TATM	64	5.8%	4	33	0.9	1.2	2.8	0.4	0.5	0.9	0.2	0.2	0.3				
Motor Sich	MSICH	246	24.0%	59	232	1.5	1.9	3.7	0.6	0.7	1.5	0.2	0.3	0.5				
Telecom																		
Ukrtelecom	UTLM	130	7.2%	9	214	7.6	8.2	16.3	1.1	2.0	3.0	0.3	0.6	1.0				
Oil & Gas																		
Ukrnafta	UNAF	710	3.0%	21	706	>30	22.4	>30	2.5	4.4	5.3	0.3	0.4	0.7	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	20	21.6%	4	-5	neg	10.1	6.8	neg	-0.3	-0.4	-0.1	-0.1	-0.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	85	50.4%	43	193	13.1	neg	17.0	2.9	16.7	2.8	1.1	1.3	1.3	35	26	26	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	127	21.7%	28	114	2.1	23.6	14.4	1.2	3.4	5.0	0.1	0.2	0.2	6	8	7	\$/MWh
DonbasEnerg	DOEN	23	14.2%	3	53	0.4	2.7	9.7	0.7	2.7	14.8	0.1	0.1	0.3	6	7	7	\$/MWh
Consumer																		
MHP	MHPC	972	34.1%	331	2,052	6.0	neg	10.0	5.2	3.8	3.7	1.4	1.3	1.3				
Kernel	KER	765	61.8%	473	1,500	7.3	neg	6.1	5.2	6.7	4.6	0.5	0.6	0.7				
Astarta	AST	150	37.0%	56	396	4.4	neg	5.0	4.4	2.6	3.2	0.8	0.9	1.0				
Avangardco	AVGR	194	22.5%	44	382	0.8	neg	6.1	1.3	2.9	3.5	0.6	0.9	0.9	86	66	62	\$/mneqgs
Ovostar	OVO	111	25.0%	28	118	3.6	3.7	4.6	3.3	3.7	4.7	1.5	1.6	1.5	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	130	3.5%	5		1.5	neg	neg	0.1	0.3	0.3	0.02	0.05	0.05				
Ukrsotsbank	USCB	86	1.0%	1		>30	>30	>30	0.1	0.3	0.2	0.01	0.05	0.03				

Source: Eavex Research

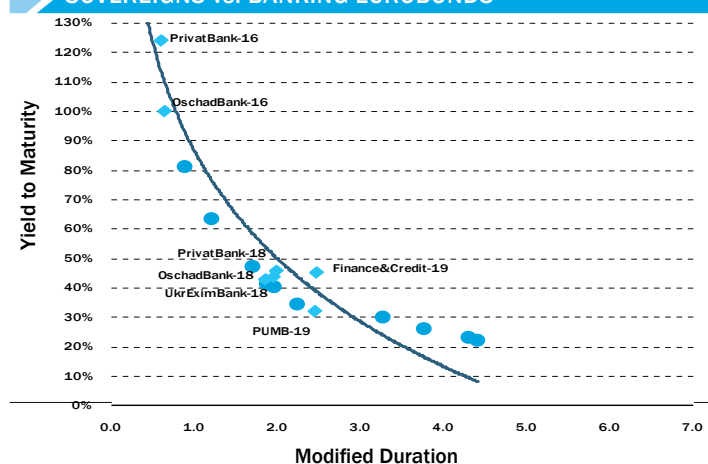
UKRAINIAN EUROBONDS

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											
Ukraine, 2015 (EUR)	45.0	47.0	222.0%	205.6%	-32.3%	0.3	4.95%	A	13 Oct 2015	600*	Caa3/CCC-/CC
Ukraine, 2015	43.5	44.9	284.3%	269.5%	-37.2%	0.2	6.875%	S/A	23 Sept 2015	500	Caa3/CCC-/CC
Ukraine, 2016	37.6	39.0	82.2%	78.8%	-38.9%	1.0	6.58%	S/A	21 Nov 2016	1,000	Caa3/CCC-/CC
Ukraine, 2016-2	38.2	39.7	108.7%	103.9%	-39.9%	0.7	6.25%	S/A	17 Jun 2016	1,250	Caa3/CCC-/CC
Ukraine, 2017	39.5	40.8	50.9%	49.2%	-36.5%	1.8	6.75%	S/A	14 Nov 2017	700	Caa3/CCC-/CC
Ukraine, 2017-2	41.3	42.5	58.4%	56.5%	-32.7%	1.5	9.25%	S/A	24 Jul 2017	2,000	Caa3/CCC-/CC
Ukraine, 2017 Infr. projects	38.5	41.0	55.8%	52.3%	-35.4%	1.7	8.375%	S/A	3 Nov 2017	568	Caa3//
Ukraine, 2018 Infr. projects	38.0	40.0	48.0%	45.5%	-35.0%	2.0	7.40%	S/A	20 Apr 2018	690	Caa3//
Ukraine, 2020	41.3	43.3	30.4%	29.0%	-29.1%	3.5	7.75%	S/A	23 Sept 2020	1,500	Caa3/CCC-/CC
Ukraine, 2021	39.0	40.5	31.1%	30.0%	-33.1%	3.5	7.95%	S/A	23 Feb 2021	1,500	Caa3/CCC-/CC
Ukraine, 2022	38.5	40.0	27.3%	26.4%	-34.8%	3.9	7.80%	S/A	28 Nov 2022	1,250	Caa3/CCC-/CC
Ukraine, 2023	40.3	41.5	25.1%	24.4%	-31.1%	4.1	7.50%	S/A	17 Apr 2023	1,250	Caa3/CCC-/CC
Corporate Eurobonds											
Agroton, 2019	30.1	35.1	44.3%	38.7%	-3.5%	2.8	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2015	92.0	96.0	104.2%	55.1%	-1.1%	0.1	10.25%	S/A	29 Apr 2015	235	Caa2//CC
MHP, 2020	64.7	66.2	19.6%	19.0%	-5.2%	3.4	8.25%	S/A	2 Apr 2020	750	/CCC-/CC
Avangardco, 2015	44.5	44.5	188.3%	188.3%	-31.1%	0.3	10.00%	S/A	29 Oct 2015	200	/CCC-/
UkrLandFarming, 2018	37.0	39.0	57.1%	54.2%	-18.3%	1.9	10.88%	S/A	26 Mar 2018	500	/CCC-/CC
Mriya, 2016	11.0	14.0	461.5%	382.0%	-3.8%	0.3	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	11.0	14.0	131.0%	111.9%	-3.8%	1.3	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2015	60.0	65.0	741.4%	603.4%	-19.4%	0.1	9.50%	S/A	28 Apr 2015	200	Caa2//C
DTEK, 2018	34.0	37.0	55.1%	50.8%	-22.0%	1.8	7.88%	S/A	4 Apr 2018	750	Caa2//C
Metinvest, 2015	63.0	68.0	392.7%	317.8%	-18.6%	0.1	10.25%	S/A	20 May 2015	114	Caa2//CC
Metinvest, 2017	48.0	53.0	46.3%	41.0%	-27.9%	1.2	10.50%	S/A	28 Nov 2017	290	//CC
Metinvest, 2018	40.0	42.0	50.2%	47.8%	-26.1%	2.0	8.75%	S/A	14 Feb 2018	750	Caa2//CC
Ferrexpo, 2016	78.0	81.0	35.1%	30.7%	3.2%	0.8	7.88%	S/A	07 Apr 2016	286	Caa2/CCC/CC
Ferrexpo, 2019	75.3	77.3	19.5%	18.6%	n/a	2.6	10.38%	S/A	07 Apr 2019	161	Caa2/CCC/CC
UZ Rail, 2018	38.0	40.0	50.9%	48.4%	-26.5%	1.9	9.50%	S/A	21 May 2018	500	/CC-/CC
Interepipe, 2017	15.0	25.0	148.5%	99.7%	-63.6%	1.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	69.9	73.6	27.7%	25.4%	23.3%	1.6	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	10.0	15.0	119.9%	91.2%	-84.9%	1.4	9.25%	S/A	25 Jan 2019	100	Caa3//
PUMB, 2018	43.0	48.0	41.6%	37.2%	-32.6%	2.2	11.00%	Q	31 Dec 2018	275	Caa3//
Nadra Bank, 2018	8.0	13.0	n/a	n/a	-16.0%	0.2	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	45.0	48.0	269.0%	239.5%	-25.6%	0.2	9.38%	S/A	23 Sept 2015	200	Caa3//
PrivatBank, 2016	21.0	31.0	308.6%	206.0%	-47.5%	0.4	8.75%	S/A	9 Feb 2016	150	Caa3//
PrivatBank, 2018	39.0	49.0	55.1%	43.1%	-33.9%	1.9	10.88%	S/A	28 Feb 2018	175	Caa3//CC
UkrEximBank, 2015	52.9	52.9	986.2%	986.2%	-31.8%	0.0	8.38%	S/A	27 Apr 2015	750	Caa3//CC
UkrEximBank, 2016	20.0	30.0	323.1%	213.8%	-47.4%	0.4	5.79%	S/A	2 Sept 2016	125	Caa3//CC
UkrEximBank, 2018	41.5	43.5	49.1%	46.7%	-24.8%	1.9	8.75%	S/A	22 Jan 2018	500	Caa3//CC
VAB Bank, 2019	1.0	5.0	n/a	n/a	-53.8%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	41.0	45.0	135.3%	119.0%	-26.5%	0.6	8.25%	S/A	10 Mar 2016	700	Caa3//CC
Oschadbank, 2018	40.0	43.0	49.3%	45.7%	-26.5%	2.0	8.88%	S/A	20 Mar 2018	500	Caa3//CC
Municipal Eurobonds											
City of Kyiv, 2015	40.8	42.1	232.7%	221.2%	-42.9%	0.3	8.00%	S/A	6 Nov 2015	250	Caa3/CCC/
City of Kyiv, 2016	40.0	45.0	102.8%	88.7%	-39.9%	0.8	9.375%	S/A	30 Jun 2016	300	Caa3/CCC/

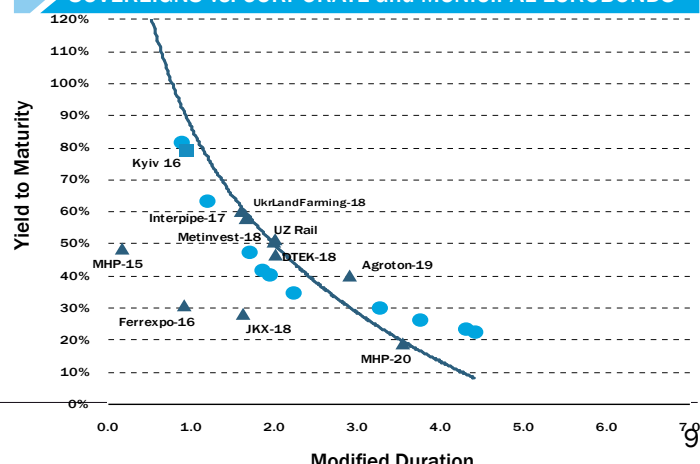
¹ Moody's/S&P/Fitch; * EUR

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 UAH
UAH denominated Bonds									
UA4000141592					n/a	14.30%	S/A	20 May 2015	n/a
UA4000142665			30%	26%	n/a	14.30%	S/A	24 May 2017	n/a
USD denominated Bonds									
UA4000142699	n/a	n/a	14.0%	8.0%	n/a	9.45%	S/A	22 Apr 2015	n/a
UA4000141071	n/a	n/a	14.0%	8.0%	n/a	9.45%	S/A	27 May 2015	n/a
UA4000142673	n/a	n/a	14.0%	8.0%	n/a	4.50%	S/A	17 Jun 2015	n/a
EUR denominated Bonds									
UA4000142681	n/a	n/a	12.5%	8.0%	n/a	4.80%	S/A	6 May 2015	n/a
VAT Bonds									
UA4000082531			30%	26%	n/a	5.50%	S/A	21 Aug 2015	n/a
UA4000082622			30%	26%	n/a	5.50%	S/A	24 Aug 2015	n/a
UA4000083059			30%	26%	n/a	5.50%	S/A	25 Aug 2015	n/a
UA4000185151			30%	26%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			30%	26%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			30%	26%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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