

Market Update

Equity

Locally-listed Ukrainian stocks retreated on Thursday (May 7) as an absence of any strong drivers in the market discouraged traders from taking long positions. The rather inactive session finished with a 0.7% decline in the UX index to 1070 points. Among the 10 index components, only Azovstal (AZST) and Alchevsk Steel (ALMK) were in the black, rising by 0.4% and 1.8% respectively. Meanwhile, CentrEnergO (CEEN) and DonbasEnergO (DOEN) both inched down by 0.2% while Raiffeisen Aval (BAVL) fell 1.2% to 9.76 kopecks per share. London-listed Ferrexpo (FXPO) slid 2.6% to GBp 75.00 as it continued to correct after touching a 5-month high near GBp 80 last week, while MHP (MHPC) picked up 1.7% to end at USD 11.70. Warsaw-listed Ukrainian names were generally higher on Thursday with Astarta (AST) and Kernel (KER) adding 0.9% and 0.3% respectively; Ovostar (OVO) also gained 1.3%, closing at PLN 75.50.

Fixed Income

Ukrainian sovereigns finished higher on Thursday with Ukraine-23s up by 1.0p.p. to 47.8/49.8 (21.8%/21.2%). Corporate names were mixed. MHP-20s inched up by 0.1p.p. closing at 81.5/82.7 (13.5%/13.1%) while Metinvest-15s declined by 3.0p.p to 66.0/69.0 before the group provided improved restructuring conditions for its bondholders after market close. Notably, Metinvest increased the share of principal to be repaid from 10% to 25% if the restructure is passed.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
CentrenergO	CEEN	8.33	-0.1%	0.6	16
Motor Sich	MSICH	2733.00	-0.6%	0.1	20
Ukrnafta	UNAF	271.90	-0.5%	0.3	52

Growth Leaders

Avdyivka Coke	AVDK	1.39	-0.7%	0.00	12
Yenakievo Steel	ENMZ	18.04	-0.4%	0.00	6
CentrenergO	CEEN	8.33	-0.1%	0.61	16

Loss Leaders

Alchevsk Steel	ALMK	0.02	1.8%	0.016	29
Kryukiv Wagon	KVBZ	11.31	-2.3%	0.006	5
Azovstal	AZST	0.86	0.4%	0.034	14

Highlights

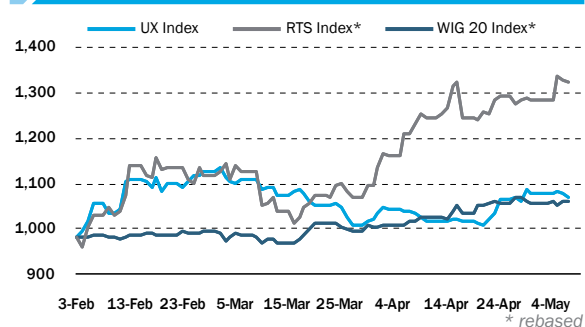
POLITICS AND ECONOMICS

- > Tagliavini: Minsk Peace Talks Move to "Sub-Group" Stage

FIXED INCOME

- > OschadBank Net Profit Drops 44% YoY to UAH 87mn in 1Q15
- > UkrlandFarming's EBITDA Halves in FY14

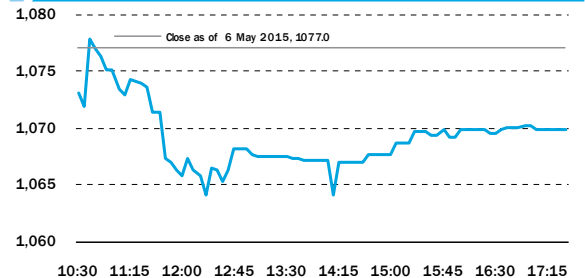
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	1070.0	-0.7%	3.2%	3.5%
RTS	1060.7	-0.5%	9.2%	34.1%
WIG20	2522.6	-0.1%	5.1%	8.9%
MSCI EM	1024.9	-1.5%	1.9%	7.2%
S&P 500	2088.0	0.4%	0.4%	1.4%

UX INTRADAY MAY 7, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	370.6	2.1%	-6.8%	-8.3%
CDS 5Y UKR	3884.6	0.0%	-11.4%	73.9%
Ukraine-17	44.1%	-0.6 p.p.	-5.3 p.p.	18.4 p.p.
Ferrexpo-16	28.4%	0.2 p.p.	-3.1 p.p.	-2.9 p.p.
Ukraine-23	21.1%	-0.4 p.p.	-2.6 p.p.	13.6 p.p.
Privatbank-16	166.1%	2.3 p.p.	-107.7 p.p.	80.7 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	20.52	-2.3%	-12.5%	29.7%
EUR	23.12	-3.0%	-9.7%	20.8%
RUB	0.41	-1.6%	-3.7%	48.5%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	200.5	0.0%	-3.2%	-18.5%
Steel, USD/t	362.5	0.0%	-4.6%	-19.4%
Oil, USD/bbl	65.5	-3.3%	10.5%	10.7%
Gold, USD/oz	1184.5	-0.6%	-2.5%	0.0%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Tagliavini: Minsk Peace Talks Move to “Sub-Group” Stage

by Will Ritter
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NEWS

The top negotiators from a meeting of the “Trilateral Contact Group” in Minsk on Wednesday (May 6) said that they had made important progress toward implementing February’s Donbass peace plan, the pro-Russian SputnikNews online outlet reported. The Contact Group is composed of Ukraine, Russia, and the OSCE; representatives from the separatist Donetsk and Lugansk People’s Republics (DNR and LNR) were also at Wednesday’s negotiations. OSCE negotiator Heidi Tagliavini said that “sub-group” talks on four separate issues - security, politics, refugees, and trade – will take place later this month. SputnikNews quoted the DNR representative in Minsk, Dennis Pushilin, as saying, “The most important thing is that the dialogue between Ukraine and [DNR/LNR] has begun. We hope that it will continue and all decisions will be made on the basis of compromise.” Pushilin said the political sub-group will discuss the highly contentious issue of how local elections in the separatist territories will be conducted.

COMMENTARY

The so-called “sub-group” talks effectively involve direct negotiations between Kyiv and the DNR/LNR, which is why we suppose the news from Wednesday’s Minsk talks has been downplayed in the Ukrainian media and also the Western media; Kyiv’s official position ever since the start of the Donbass conflict has been that it will not negotiate with the separatists. Although there are actors in Ukrainian politics who are still pushing for a new offensive against DNR/LNR-held territory, we believe that the majority of Ukraine’s political elite is coming around to the view that the best option for Kyiv in the medium term is a “frozen conflict”. This scenario will relieve Ukraine of most financial responsibility for the breakaway regions and prevent pro-Russian DNR/LNR elected representatives from taking part in Ukrainian national governing institutions. Likewise, although there are radical elements in Russian politics favoring renewed war against Ukraine, the Russian economy has clearly benefited from the relaxing of tensions since the February ceasefire, and the Putin regime would certainly have to think twice about giving up the recent economic gains for the sake of a new separatist offensive. That said, the May 9 Victory Day holiday is always a time of heightened Russian-Ukrainian tensions, and we would therefore not be surprised to see some type of provocations occurring this holiday weekend instigated by hard-liners on either/both sides of the conflict.

**OschadBank Net Profit Drops 44%
YoY to UAH 87mn in 1Q15**

by Dmitry Churin
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NEWS

State-owned OschadBank, Ukraine's second-largest financial institution by assets, reported that its net profit dropped by 44% YoY to UAH 87mn (USD 3.8mn) in 1Q15, according to financials released earlier this month. The bank's gross interest income rose by 46% YoY to UAH 4.8bn while net interest income grew by 18% YoY to UAH 1.8bn in the period. Provisions for loan impairment surged by 6.0x to UAH 4.6bn in 1Q15. Administrative expenses edged up by 7.0% YoY to UAH 976mn. On the balance sheet side, Oschad's loan portfolio is up by 15% YtD to UAH 79.8bn and its securities portfolio amounted to UAH 41.8bn as of 31 Mar 2015. The bank's total assets have risen by 18% YtD to UAH 151bn (USD 6.4bn).

COMMENTARY

We are surprised that Oschad managed to post a net profit in 1Q15 amid the steep devaluation of the hryvnia and its huge increase in loan loss provision charges in the period. According to the bank's financial report, its nonperforming loans (NPLs) totaled UAH 27bn, with provisions for them already having been made in the amount of UAH 25bn. OschadBank's capital adequacy ratio stood at a reasonably healthy 15.9% (compared to some other large domestic banks), with the mandated minimum being 10%. The current liquidity ratio for the bank at the end of 1Q15 was 97% vs. the 40% mandated minimum.

In our view, Oschad remains in fairly good shape despite the poor macroeconomic situation in Ukraine.

OschadBank-2018 Eurobonds are quoted at 67.0/70.0 (25.9%/23.9%), while OschadBank-16s bonds are trading at mid-price of 68.8 on the dollar, reflecting an expected maturity extension.

UkrLandFarming's EBITDA Halves in FY14

by Ivan Dzvinka
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NEWS

UkrLandFarming (ULF), Ukraine's largest agricultural holding in terms of land under operation, reported a 25% YoY drop in its revenue to USD 1.56bn for FY14, according to the company's financial results unveiled on Thursday (May 7). A decline in gross profit by 36% to USD 508mn along with a 3.3x surge in "other operating costs" to USD 131mn pushed EBITDA 48% lower YoY to USD 434mn. The bottom line turned negative to USD -262mn in FY14 from USD +754mn in 2013, against the background of a USD 323mn loss from forex translation. Gross operating cash flow (before changes in working capital) declined by 28% to USD 553mn. Meanwhile, net operating cash flow plummeted by 88% YoY to USD 100mn in FY14, adversely affected by expansion in working capital of USD 370mn. The company's total debt remained flat YoY at USD 1.68bn, while its cash position dropped by USD 103mn to USD 195mn as of end-2014. The total debt/EBITDA ratio surged to 3.86x at end-2014 from 1.99x a year earlier.

As of end-2014, ULF had planted 187,600 hectares of its land vs. 155,800 ha at end-2013. A large majority of the mentioned land is under winter wheat (136,300 ha).

COMMENTARY

UkrLandFarming breached its Eurobond Debt/EBITDA covenant of 3.0x in late 2014, which resulted in a lack of access to any new loans (except in cases of refinancing existing debt). Also, as of end-2014, ULF breached certain unspecified covenants of its Sberbank and Deutsche Bank syndicated loans, the report admitted. The company claimed that it has a "positive understanding" with the two banks" and that "the breaches should be remedied".

The main reasons for the halving of the group's EBITDA in 2014 were a USD 160mn decline in the EBITDA of egg producer Avangard (ULF's 77%-owned subsidiary) and a USD 200mn decline in crop & seed EBITDA to 258mn. Interestingly, only about 25% of that drop was directly related to fundamentals of the crop-related segment (i.e. lower prices) while some 50% and 25% (USD 96mn and USD 49mn) of the drop were attributed to the sharp drop in revaluation of biological assets and surge in other operating expenses, respectively. Another concern for us is ULF's high volatility in working capital, which improved last year by USD 170mn before deteriorating by USD 370mn this year.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	35.4	50.2	42%	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	11.5	17.96	56%	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	26.3	36.1	37%	BUY	Astarta makes decisive moves toward business diversification (launch of soybean processing plant in early 2014) and cost optimization (launch of bioenergy complex in 2014). With no assets in the Donbass, material exposure of Astarta to UAH (50% of sales) is mostly offset with 60% of cost tied to UAH.
AvangardCo	AVGR LI	2.5	1.4	-45%	SELL	Lost of the company's output at war-hit Donbass together with UAH devaluation will lead to lower EBITDA in 2015 after a 57% plunge in 2014.
Ovostar Union	OVO PW	75.5	80.8	7%	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	75.0	48.0	-36%	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	0.86	0.56	-35%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	1.39	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	2733	5250	92%	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	4.7	U/R	--	U/R	The company has been constantly missed production targets since 2012.
JKX Oil & Gas	JKX	30.0	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						
DonbasEnerg	DOEN	23.4	U/R	--	U/R	DNR Intends to Nationalize DonbasEnerg-Owned Power Plant. The Starobeshevo plant accounts for about 70% of DonbasEnerg's installed power-generating capacity.
CenterEnerg	CEEN	8.33	15.00	80%	BUY	CenterEnerg'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	0.098	0.24	146%	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	1069.96	1368.76	908.88	-0.7%	-0.7%	3.2%	3.5%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.017	0.045	0.011	1.8%	5.0%	21.0%	15.2%	2.5%	5.7%	17.8%	11.6%
Azovstal	AZST	0.86	0.95	0.35	0.8%	-0.8%	7.1%	15.0%	1.5%	-0.1%	3.9%	11.5%
Enakievo Steel	ENMZ	18.04	65.00	14.81	-0.4%	0.2%	-1.7%	-13.9%	0.2%	0.9%	-4.9%	-17.4%
Coke												
Avdyivka Coke	AVDK	1.39	3.62	1.10	-0.7%	2.6%	-3.7%	-19.4%	-0.1%	3.3%	-6.9%	-23.0%
Yasynivsky Coking	YASK	0.27	0.84	0.18	0.0%	0.0%	-10.0%	-3.6%	0.7%	0.7%	-13.2%	-7.1%
Iron Ore Mining												
Centralny GOK	CGOK	8.39	n/a	n/a	0.0%	0.0%	-4.7%	7.7%	0.7%	0.7%	-7.9%	4.2%
Ferrexpo	FXPO	75.00	148.80	47.91	-2.6%	-3.8%	19.5%	41.5%	-1.9%	-3.1%	16.3%	38.0%
Pivnichny GOK	SGOK	8.20	12.30	4.44	0.0%	0.0%	3.8%	-2.0%	0.7%	0.7%	0.6%	-5.6%
Coal Mining												
Pokrovske Mine	SHCHZ	0.33	0.79	0.17	0.0%	0.0%	-31.3%	-29.8%	0.7%	0.7%	-34.5%	-33.3%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.30	1.01	0.20	0.0%	0.0%	-38.8%	-21.1%	0.7%	0.7%	-42.0%	-24.6%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	11.31	21.60	9.73	-2.3%	-3.7%	3.1%	-12.0%	-1.7%	-3.0%	-0.1%	-15.5%
Luhanskteplovoz	LTPL	1.20	1.80	0.85	0.0%	0.0%	-20.0%	11.1%	0.7%	0.7%	-23.2%	7.6%
Specialized Machinery												
Motor Sich	MSICH	2733	2939	1706	-0.6%	-1.7%	5.6%	10.1%	0.1%	-0.9%	2.4%	6.5%
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	0.20	0.21	0.09	24.6%	22.9%	15.6%	28.3%	25.3%	23.6%	12.4%	24.7%
Oil & Gas												
Regal Petroleum	RPT	4.75	9.38	3.13	0.0%	15.0%	-0.1%	51.8%	0.7%	15.7%	-3.3%	48.3%
JKX Oil	JKX	30.00	62.00	11.00	0.0%	0.8%	-3.2%	150.0%	0.7%	1.5%	-6.4%	146.5%
Ukrnafta	UNAF	271.9	375.0	54.0	-0.3%	0.2%	-10.5%	33.7%	0.4%	0.9%	-13.7%	30.2%
Power Utilities												
Centrenergo	CEEN	8.33	8.70	3.00	-0.6%	0.9%	3.9%	10.4%	0.0%	1.6%	0.7%	6.8%
Donbasenergo	DOEN	23.43	48.98	11.00	-0.7%	-0.2%	4.8%	-29.0%	-0.1%	0.5%	1.6%	-32.5%
Zakhidenergo	ZAEN	150.0	199.8	91.2	0.0%	0.0%	-15.6%	1.3%	0.7%	0.7%	-18.8%	-2.3%
Consumer												
Agroton	AGT	1.07	3.19	1.05	-1.8%	-2.7%	-7.0%	-13.0%	-1.2%	-2.0%	-10.2%	-16.6%
Astarta	AST	26.29	47.95	14.50	0.9%	9.1%	21.4%	31.5%	1.6%	9.8%	18.2%	27.9%
Avangardo	AVGR	2.50	10.27	1.83	0.0%	0.0%	-4.9%	22.0%	0.7%	0.7%	-8.1%	18.4%
Industrial Milk Company	IMC	5.10	10.39	5.00	0.0%	-1.7%	-2.1%	-10.1%	0.7%	-1.0%	-5.3%	-13.6%
Kernel	KER	35.35	39.25	22.00	0.3%	1.4%	-9.8%	24.2%	0.9%	2.1%	-13.0%	20.7%
Mriya Agro Holding	MAYA	0.16	5.25	0.05	162.3%	-5.9%	-64.4%	-71.5%	163.0%	-5.2%	-67.6%	-75.1%
MHPC	MHPC	11.50	15.77	8.24	0.0%	0.0%	12.7%	25.0%	0.7%	0.7%	9.5%	21.5%
Milkiland	MLK	2.45	7.57	1.48	-4.3%	-9.3%	7.0%	65.5%	-3.6%	-8.6%	3.8%	62.0%
Ovostar Union	OVO	75.50	76.00	64.00	1.3%	1.3%	9.4%	4.9%	2.0%	2.1%	6.2%	1.3%
Chemicals												
Stirol	STIR	5.50	n/a	n/a	-0.2%	-0.2%	-38.7%	-20.6%	0.5%	0.5%	-41.9%	-24.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.098	0.190	0.086	-1.3%	-1.6%	2.5%	1.7%	-0.7%	-0.9%	-0.7%	-1.9%
UkrSotsbank	USCB	0.115	0.200	0.090	0.0%	0.9%	4.1%	-12.1%	0.7%	1.6%	0.9%	-15.6%

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	280	-62	-83	-100	neg	neg	neg	-214	-1,683	-190	neg	neg	neg
Enakievo Steel	ENMZ	1,507	906	539	-7	6	31	neg	0.6%	5.7%	-61	-33	24	neg	neg	4.4%
Azovstal	AZST	2,562	1,885	1,602	-81	183	126	neg	9.7%	7.8%	-308	77	66	neg	4.1%	4.1%
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	-5	7.8%	neg	neg	-3	-13	-10	neg	neg	neg
Iron Ore Mining																
Centralny GOK	CGOK	679	611	550	312	223	159	46.0%	36.5%	28.8%	194	115	80	28.6%	18.8%	14.6%
Pivnichny GOK	SGOK	1,630	1,467	1,320	914	649	463	56.1%	44.2%	35.1%	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																
Luhanskeplovov	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	636	384	342	218	36.5%	38.9%	34.3%	162	129	92	15.4%	14.7%	14.5%
Telecom																
Ukrtelecom	UTLM	796	412	251	-199	85	72	neg	20.6%	28.5%	-279	18	9	neg	4.4%	3.6%
Oil & Gas																
Ukrnafta	UNAF	2,589	2,324	1,152	286	380	219	11.1%	16.4%	19.0%	23	105	115	0.9%	4.5%	10.0%
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	69	70	36.7%	46.9%	46.7%	7	-80	5	3.6%	neg	3.3%
Electric Utilities																
Centrenergo	CEEN	915	630	323	94	26	-12	10.3%	4.1%	neg	60	6	-28	6.5%	0.9%	neg
Donbasenergo	DOEN	656	458	196	72	20	-19	11.0%	4.4%	neg	65	8	-17	9.9%	1.8%	neg
Consumer																
MHP	MHPC	1,496	1,379	1,544	391	555	550	26.1%	40.2%	35.6%	162	-412	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	422	347	91	143	98	15.5%	28.3%	23.5%	34	-82	-12	5.8%	neg	neg
Avangardco	AVGR	661	420	361	301	129	94	45.6%	30.9%	26.1%	238	-27	-13	36.0%	neg	neg
Ovostar	OVO	81	75	79	36	29	25	43.7%	38.9%	31.6%	31	26	24	38.0%	34.5%	30.7%
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	5,333	2,869	2,166	888	390	295	723	327	217	90	-87	-115	10.1%	-22.2%	-39.1%
Ukrsotsbank	USCB	5,283	2,730	2,095	1,064	518	362	132	149	132	1	-42	-14	0.1%	-8.0%	-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	21	3.9%	1	2,634	neg	neg	neg	neg	neg	neg	1.5	3.8	9.4	681	635	616	\$/tonne
Yenakievo Steel	ENMZ	9	8.8%	1	7	neg	neg	0.4	neg	1.2	0.2	0.0	0.0	0.0	3	3	2	\$/tonne
Azovstal	AZST	176	3.0%	5	169	neg	2.3	2.7	neg	0.9	1.3	0.1	0.1	0.1	37	38	37	\$/tonne
Coke																		
Avdyivka Coke	AVDK	13	6.8%	1	-26	neg	neg	neg	-0.6	neg	neg	0.0	-0.1	-0.1	-6	-7	-7	\$/tonne
Yasynivsky Coke	YASK	4	9.0%	0	4	neg	neg	neg	0.2	neg	neg	0.0	0.0	0.0	0.2	neg	neg	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	479	0.3%	1	478	2.5	4.2	6.0	1.5	2.1	3.0	0.7	0.8	0.9				
Pivnichny GOK	SGOK	921	0.4%	4	914	1.7	2.8	4.1	1.0	1.4	2.0	0.6	0.6	0.7				
Ferrexpo	FXPO	678	24.0%	163	1,356	2.6	3.7	6.9	2.7	2.7	5.3	0.9	1.0	1.3				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	38	2.0%	1	84	8.1	1.7	20.6	2.7	1.9	4.7	0.3	0.4	0.9	133	220	209	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	13	24.0%	3	50	0.7	neg	n/a	1.4	neg	n/a	0.2	0.4	n/a				
Krukiv Wagon	KVBZ	63	5.0%	3	57	1.5	neg	neg	1.1	neg	11.4	0.1	0.4	0.9				
Specialized Machinery																		
Turboatom	TATM	72	5.8%	4	42	1.0	1.4	3.2	0.5	0.6	1.1	0.2	0.3	0.4				
Motor Sich	MSICH	277	24.0%	66	252	1.7	2.1	3.0	0.7	0.7	1.2	0.2	0.3	0.4				
Telecom																		
Ukrtelecom	UTLM	178	7.2%	13	269	neg	9.8	19.5	neg	3.2	3.8	0.3	0.7	1.1				
Oil & Gas																		
Ukrnafta	UNAF	719	3.0%	22	727	>30	6.8	6.2	2.5	1.9	3.3	0.3	0.3	0.6	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	23	21.6%	5	-2	neg	11.7	7.8	neg	-0.1	-0.1	0.0	0.0	0.0	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	80	50.4%	40	188	12.2	neg	15.9	2.8	2.7	2.7	1.0	1.3	1.3	34	26	25	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	150	21.7%	33	164	2.5	25.5	neg	1.7	6.3	neg	0.2	0.3	0.5	9	12	10	\$/MWh
DonbasEnerg	DOEN	27	14.2%	4	58	0.4	3.2	neg	0.8	2.9	neg	0.1	0.1	0.3	7	7	7	\$/MWh
Consumer																		
MHP	MHPC	1,215	34.1%	414	2,353	7.5	neg	12.5	6.0	4.2	4.3	1.6	1.7	1.5				
Kernel	KER	780	61.8%	482	1,515	7.4	neg	6.2	5.2	6.8	4.7	0.5	0.6	0.7				
Astarta	AST	182	37.0%	67	429	5.3	neg	neg	4.7	3.0	4.4	0.9	1.0	1.2				
Avangardco	AVGR	160	22.5%	36	386	0.7	neg	neg	1.3	3.0	4.1	0.6	0.9	1.1	87	66	62	\$/mneqgs
Ovostar	OVO	125	25.0%	31	133	4.1	4.9	5.2	3.7	4.6	5.3	1.6	1.8	1.7	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	143	3.5%	5		1.6	neg	neg	0.2	0.4	0.5	0.03	0.05	0.07				
Ukrsotsbank	USCB	103	1.0%	1		>30	>30	>30	0.1	0.2	0.3	0.02	0.03	0.04				

Source: Eavex Research

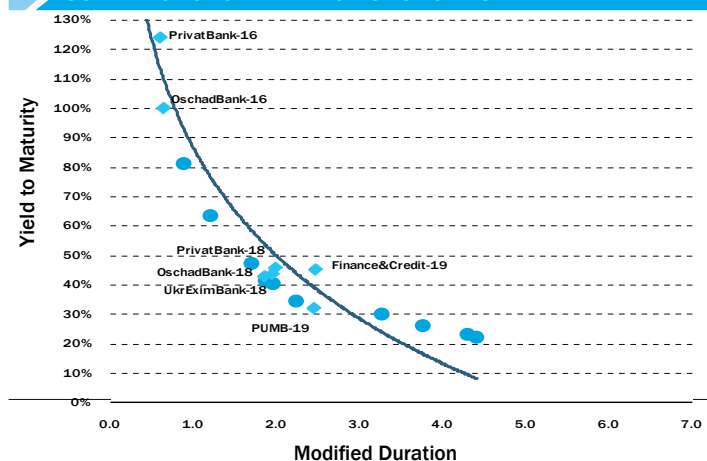
UKRAINIAN EUROBONDS

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	281.0%	260.3%	-32.3%	0.2	4.95%	A	13 Oct 2015	600*	Ca/CC/CC
Ukraine, 2015	51.4	53.0	272.0%	256.0%	-25.8%	0.2	6.875%	S/A	23 Sept 2015	500	Ca/CC/CC
Ukraine, 2016	47.2	48.9	67.1%	64.0%	-23.3%	1.0	6.58%	S/A	21 Nov 2016	1,000	Ca/CC/CC
Ukraine, 2016-2	47.2	48.5	92.3%	88.7%	-26.1%	0.7	6.25%	S/A	17 Jun 2016	1,250	Ca/CC/CC
Ukraine, 2017	45.8	47.3	44.9%	43.2%	-26.4%	1.7	6.75%	S/A	14 Nov 2017	700	Ca/CC/CC
Ukraine, 2017-2	46.1	46.9	53.7%	52.7%	-25.3%	1.5	9.25%	S/A	24 Jul 2017	2,000	Ca/CC/CC
Ukraine, 2017 Infr. projects	44.0	45.5	50.4%	48.4%	-27.2%	1.7	8.375%	S/A	3 Nov 2017	568	Ca//
Ukraine, 2018 Infr. projects	43.5	45.0	43.0%	41.4%	-26.3%	2.1	7.40%	S/A	20 Apr 2018	690	Ca//
Ukraine, 2020	46.0	49.0	27.6%	25.8%	-20.3%	3.4	7.75%	S/A	23 Sept 2020	1,500	Ca/CC/CC
Ukraine, 2021	47.0	48.0	26.2%	25.7%	-20.0%	3.5	7.95%	S/A	23 Feb 2021	1,500	Ca/CC/CC
Ukraine, 2022	46.5	47.5	23.1%	22.6%	-21.9%	4.1	7.80%	S/A	28 Nov 2022	1,250	Ca/CC/CC
Ukraine, 2023	47.8	49.8	21.8%	21.2%	-17.8%	4.6	7.50%	S/A	17 Apr 2023	1,250	Ca/CC/CC
Corporate Eurobonds											
Agroton, 2019	30.0	35.1	46.5%	40.3%	-3.7%	2.6	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	81.5	82.7	13.5%	13.1%	19.0%	3.7	8.25%	S/A	2 Apr 2020	750	/CCC/CC
Avangardco, 2015	58.0	58.0	169.0%	169.0%	-10.1%	0.3	10.00%	S/A	29 Oct 2015	200	/CCC-
UkrLandFarming, 2018	50.0	53.0	42.6%	39.6%	10.7%	2.0	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	11.0	14.0	516.1%	425.0%	-3.8%	0.3	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	11.0	14.0	120.2%	104.2%	-3.8%	1.6	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	45.0	48.0	n/a	n/a	n/a	1.9	10.375%	S/A	28 Apr 2018	160	//C
DTEK, 2018	44.0	47.0	43.8%	40.6%	0.0%	2.0	7.88%	S/A	4 Apr 2018	750	Caa3//C
Metinvest, 2015	66.0	69.0	n/a	n/a	-16.1%	0.0	10.25%	S/A	20 May 2015	114	Caa3//RD
Metinvest, 2017	57.0	60.0	38.4%	35.7%	-16.4%	1.2	10.50%	S/A	28 Nov 2017	290	//RD
Metinvest, 2018	56.0	59.0	34.8%	32.2%	3.6%	2.0	8.75%	S/A	14 Feb 2018	750	Caa3//RD
Ferrexpo, 2016	83.5	85.5	29.9%	26.9%	9.7%	0.8	7.88%	S/A	07 Apr 2016	286	Caa3/CCC/CC
Ferrexpo, 2019	81.3	83.9	17.1%	16.1%	n/a	2.6	10.38%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2018	56.0	59.0	33.8%	31.5%	8.4%	2.1	9.50%	S/A	21 May 2018	500	/CCC/CC
Interpipe, 2017	25.0	35.0	108.2%	79.2%	-45.5%	1.2	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	70.7	74.4	28.0%	25.7%	24.6%	1.4	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	20.0	30.0	76.2%	55.7%	-69.9%	2.0	9.25%	S/A	25 Jan 2019	100	Ca//
PUMB, 2018	51.0	54.0	35.5%	33.3%	-22.2%	1.9	11.00%	Q	31 Dec 2018	275	Ca//
Nadra Bank, 2018	7.0	12.0	n/a	n/a	-24.0%	0.1	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	64.0	69.0	164.8%	133.7%	6.4%	0.2	9.38%	S/A	23 Sept 2015	200	Ca//
PrivatBank, 2016	40.0	45.0	181.3%	152.3%	-14.1%	0.4	8.75%	S/A	9 Feb 2016	150	Ca//
PrivatBank, 2018	65.1	68.8	30.2%	27.6%	0.5%	2.1	10.88%	S/A	28 Feb 2018	175	Ca//CC
UkrEximBank, 2015	74.5	77.5	n/a	n/a	-1.9%	0.2	8.38%	S/A	27 Apr 2015	750	Ca//CC
UkrEximBank, 2016	48.0	51.0	137.4%	123.9%	4.2%	0.4	5.79%	S/A	2 Sept 2016	125	Ca//CC
UkrEximBank, 2018	68.0	70.0	25.9%	24.6%	22.1%	2.1	8.75%	S/A	22 Jan 2018	500	Ca//CC
VAB Bank, 2019	2.0	6.0	n/a	n/a	-38.5%	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2016	67.5	70.0	64.5%	58.7%	17.5%	0.6	8.25%	S/A	10 Mar 2016	700	Ca//CC
Oschadbank, 2018	67.0	70.0	25.9%	23.9%	21.3%	2.2	8.88%	S/A	20 Mar 2018	500	Ca//CC
Municipal Eurobonds											
City of Kyiv, 2015	48.5	50.8	234.6%	215.1%	-31.6%	0.2	8.00%	S/A	6 Nov 2015	250	Ca/CC/
City of Kyiv, 2016	46.4	49.4	94.1%	86.0%	-32.3%	0.7	9.375%	S/A	30 Jun 2016	300	Ca/CC/

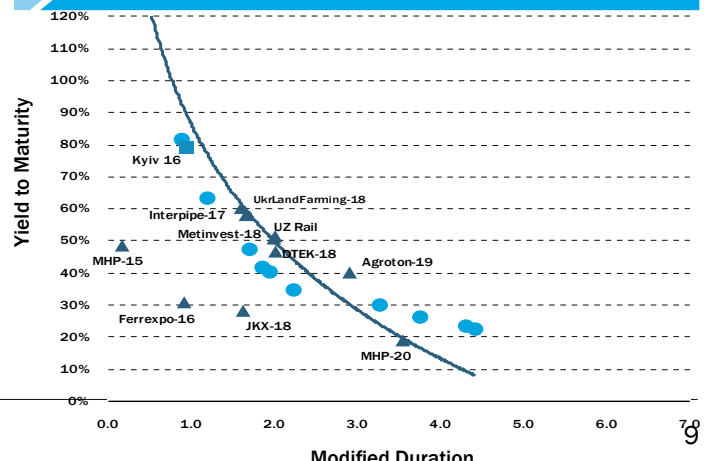
¹ Moody's/S&P/Fitch; * EUR

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			27%	24%	n/a	14.30%	S/A	24 May 2017	n/a
USD denominated Bonds									
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			27%	24%	n/a	5.50%	S/A	21 Aug 2015	n/a
UA4000082622			27%	24%	n/a	5.50%	S/A	24 Aug 2015	n/a
UA4000083059			27%	24%	n/a	5.50%	S/A	25 Aug 2015	n/a
UA4000185151			27%	24%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			27%	24%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			27%	24%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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