

Market Update

Equity

It was an awful day for Kyiv-listed stocks on Wednesday (Nov 18) amid talk that the Ukrainian Exchange is at risk of losing its license from the Securities and Exchange Commission (SECU) if it does not change its ownership structure. As we have noted previously, Parliament earlier this year forbade Russia capital in Ukrainian financial institutions, exempting only Russian banks operating in Ukraine. The UX index plummeted by 6.9% to close at new all time low of 670 points. All 10 blue chips finished deeply in the red. Among heavyweight issues, CentrErgo (CEEN) tumbled 11.8% to UAH 4.30 and UkrNafta (UNAF) fell 9.5% to UAH 177. Raiffeisen Aval (BAVL) found support at 7 kopecks per share, losing “only” 5.0% for the day. In second tier stocks, there was a gain in thinly-traded UkrTelecom (UTLM), which added 4.7% to 15.70 kopecks. On the interbank currency market, the hryvnia edged down by another 0.4% against the dollar to bid/ask of 23.85/24.00 UAH/USD. In London, MHP (MHPC) picked up 3.7% ahead of release of the company’s 3Q financial results, while Warsaw-listed Astarta (AST) declined by 2.4% to PLN 32.00.

Fixed Income

New Ukrainian sovereign bonds continued their undefeated run on Wednesday, rising for the 4th consecutive session since being issued on Nov 12. Ukraine-19s and Ukraine-27s continued to approach par value, gaining 1.3p.p. and 1.0p.p. to 98.3/99.0 (8.3%/8.1%) and 96.5/97.3 (8.2%/8.1%), respectively. Corporate names were also higher, with MHP-20s advancing by 1.7p.p. to 91.6/92.7 (10.7%/10.4%) and DTEK-18s adding 1.0p.p. to 53.0/56.0 (44.6%/41.3%) following the release of 9M15 operating results earlier this week.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Centrenerg	CEEN	4.30	-11.8%	2.09	186
Ukrnafta	UNAF	177.50	-9.5%	0.75	69
Ukrtelecom	UTLM	0.16	4.7%	0.62	58

Growth Leaders

Ukrtelecom	UTLM	0.16	4.7%	0.617	58
Yenakievo Steel	ENMZ	15.70	-1.2%	0.036	9
Kryukiv Wagon	KVBZ	8.99	-2.3%	0.102	10

Loss Leaders

Centrenerg	CEEN	4.30	-11.8%	2.088	186
Alchevsk Steel	ALMK	0.01	-11.1%	0.007	24
Avdyivka Coke	AVDK	1.02	-9.7%	0.249	19

Highlights

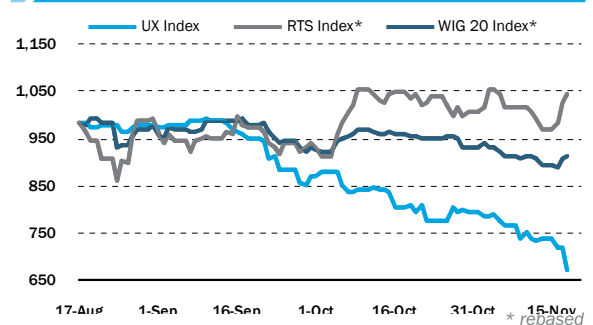
STOCKS IN THE NEWS

- > MHP’s EBITDA Down 15% YoY in 9M15

FIXED INCOME

- > DTEK Electricity Exports Slide 60% YoY in 9M15

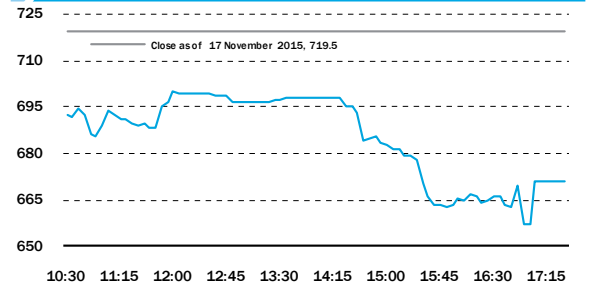
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	670.7	-6.8%	-16.7%	-35.1%
RTS	876.6	1.6%	-0.5%	10.9%
WIG20	2024.0	0.8%	-4.6%	-12.6%
MSCI EM	822.8	-0.2%	-4.9%	-14.0%
S&P 500	2083.6	1.6%	2.5%	1.2%

UX INTRADAY NOVEMBER 18, 2015



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	413.9	-1.0%	-3.3%	2.4%
CDS 5Y UKR	1050.0	0.0%	0.0%	-52.3%
Ukraine-19	8.2%	-0.2 p.p.	n/a	n/a
Ukraine-27	8.2%	-0.1 p.p.	n/a	n/a
MHP-20	10.5%	-0.5 p.p.	-2.0 p.p.	-7.0 p.p.
RAILUA-18	17.2%	-1.0 p.p.	-3.1 p.p.	-16.6 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	23.80	1.9%	11.9%	50.4%
EUR	25.25	0.8%	3.5%	31.9%
RUB	0.37	2.6%	5.8%	33.7%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	188.9	0.0%	-4.2%	-23.2%
Steel, USD/t	275.0	0.0%	-5.2%	-38.9%
Oil, USD/bbl	44.1	1.3%	-13.6%	-31.2%
Gold, USD/oz	1070.7	0.0%	-9.1%	-9.6%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

MHP's EBITDA Down 15% YoY in 9M15

by Ivan Dzvinka
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MHP (MHPC LI)

Price: USD 9.85 Market Cap: USD 1,041mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2014	1.6	neg	4.0	4.8%
2015E	1.9	neg	4.8	2.4%

NEWS

MHP, Ukraine's largest poultry meat producer, reported a 36% YoY drop in its EBITDA to USD 116mn for 3Q15, as a devaluation-related drop in revenue was exacerbated by an increase in production cost, the company said in its 3Q15/9M15 financial statement this morning (Nov 19). The group's revenue was down by 13% YoY to USD 347mn in 3Q15 on the back of a 24% drop in poultry revenue to USD 206mn, which was not offset by a 72% hike in grain sales to USD 50mn. The EBITDAs of the poultry and grain growing businesses, MHP's two core segments, were down by 45% and 24% YoY to USD 81mn and USD 32mn, respectively. Helped by the stabilization of the hryvnia this year, the forex translation loss fell by 3x YoY in 3Q15 to USD 35mn, allowing the company to post a net profit of USD 24mn vs. Its net loss of USD 32mn for 3Q14. Net operating cash flow for 3Q15 dropped by 20% YoY to USD 101mn while CapEx was up by 24% YoY to USD 47mn. Total debt was flat YtD at USD 1.21bn, with net debt at USD 1.11bn as of Sept 30. MHP's Net Debt/EBITDA ratio rose to 2.27x as of Sept 30 from 2.01x as of year-end 2014.

In 9M15, MHP's net revenue was down by 13% YoY to USD 898mn, with EBITDA slipping by 15% to USD 386mn. The company's net loss decreased to USD 37mn in 9M15 from USD 302mn for 9M14, driven by a halving in the forex translation loss to USD 289mn. Net operating cash flow for the 9 months declined by 37% to USD 166mn while CapEx was up by 11% to USD 114mn for the period. CapEx was mainly used for expansion of in-house hatching eggs capacities and brownfield expansion of poultry capacities at two of the group's farms.

In the crop-growing segment, MHP has harvested 1.9m tonnes of crops this year vs. 2.0mn tonnes in 9M14. The expansion of cultivated land this year to 340,000 ha (vs. 290,000 ha last year) was balanced by lower achieved yields for late crops due to drought weather in July-August. The yield for corn, the group's major crop, was down by 27% YoY to 6.8 t/ha, while sunflower and soya yields were down by 9% and 24% to 3.1 t/ha and 1.6 t/ha, respectively.

Regarding the outlook for 2016, MHP intends to increase poultry production by 40,000 tonnes and its land bank should rise by at least 50,000 ha. The launch of additional breeding facilities in 2016 should increase the group's self-sufficiency in hatching eggs. We expect MHP to produce some 570,000 tonnes of poultry meat for full-year 2015; the group's current land bank is around 400,000 ha.

COMMENTARY

See the next page.

MHP's EBITDA Down 15% YoY in 9M15

by Ivan Dzvinka
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COMMENTARY

MHP's 3Q15 financial results clearly demonstrate the lagging detrimental effect of devaluation on its production cost, especially related to the sunflower protein component of fodder mix (which accounts for some 20-25% of poultry cost). The company generally acquires some 50-70% of its sunflower seeds (used for production of sunflower protein for chickens) for the upcoming 12 months at harvest time (4Q) of the year. The price for sunflower seeds is linked to USD, while the group puts the acquired seeds in its inventories at UAH-denominated value at the time of purchase, due to reporting standards. With the subsequent devaluation of the hryvnia that occurred 1Q and 2Q of the following year (both in 2014 and 2015), the protein component of poultry cost in USD terms has been reduced by the devaluation of hryvnia. For instance, the average sunflower seed price was USD 312/t in 4Q14, translating into UAH 4,500/t at an exchange rate of 14.43. If the protein is used in 1Q15, its cost will be deflated by a third to USD 213/t (UAH 4500/t divided by that quarter's average UAH/USD rate of 21.1). With no "cheap" sunflower inventories left at the beginning of 3Q15, MHP's costs for protein in hryvnia terms will be materially inflated.

On the positive side, the company has managed to increase its selling price for poultry to offset the negative effect of higher production cost. We reiterate our EBITDA forecast of USD 455mn for FY15. For 2016, we expect the company to report largely flat EBITDA as growth in the poultry price should be offset by higher production cost for poultry and grains. For more details, see our note published earlier this week.

**DTEK Electricity Exports Slide
60% YoY in 9M15**

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NEWS

Vertically-integrated thermal power plant operator DTEK reported that its electricity exports, which are the main foreign currency inflow source for the group, slumped by 61.6% YoY in 9M15, according to the company's operational update published on Tuesday (Nov 17). In other segments, DTEK also suffered large decreases in output. In particular, coal export operations dropped by 71.4% YoY to 1.0mn tonnes in the period and coal import operations fell by 64.7% YoY to 404,100 tonnes. The group's overall coal extraction decreased by 25.6% YoY to 21.4mn tonnes in 9M15.

In other key business segments, DTEK reported a drop in electricity generation by 20.8% YoY to 27.7 TWh and a drop in electricity distribution by 16.0% YOY to 33.5 TWh.

DTEK PRODUCTION FIGURES				
Segment	Unit	9M15	9M14	Change YoY
Coal production	mn tonnes	21.4	28.8	-25.6%
Electricity generation	TWh	27.7	34.9	-20.8%
Electricity distribution	TWh	33.5	39.9	-16.0%
Electricity export	TWh	2.7	6.9	-61.6%

Source: Companies' data

COMMENTARY

DTEK now faces not only macroeconomic challenges, but also problems with liquidity as a result of reduced payments through the complicated subsidy-and-tariff reimbursement system from the government's wholesale electricity operator EnergoRynok. In the past, DTEK owner Rinat Akhmetov always had the political leverage to influence EnergoRynok and impose his will on the government's electricity regulation policies for his own benefit, but clearly, times have changed for the industrialist. DTEK management stated that if payments from EnergoRynok are not stepped up, its coal mines will be forced to scale down their tunnelling, leading to a significant drop in next year's production. Meanwhile, there was some good news regarding DTEK's coal segment. Anthracite coal production at DTEK's RovenkyAnthracite, SverdlovAnthracite, and Komsomolets Donbasa mines in 3Q15 increased by 41.9% QoQ, or 429,3000 tonnes, as a new logistic coal transportation route from the separatist-occupied territories was opened. Current coal stocks in the occupied territories are about 2.0mn tonnes. In the electricity export segment, DTEK remains constrained by the Energy Ministry's decision to limit exports due to the capacity shortage inside the country. The Ministry's order has been in force since Aug 2014.

DTEK-2018 Eurobonds have risen by 11% to 47.0/50.0 (47.3%/43.7%) since late August amid the overall positive reaction of the corporate Eurobond universe to the restructuring of Ukrainian sovereign debt.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	50.4	57.20	13%	HOLD	Flat or rising YoY operating results expected by management in 2016 will not be enough to compensate for lower seed-crushing and grain-trading margins.
MHP	MHPC LI	9.9	12.03	22%	BUY	MHP's new soybean processing plant and expected launch of new breeding facilities in early 2016 bodes well for optimization of its poultry production cost. The group's long-term targets are a 50% expansion in poultry output to 900,000 tonnes by 2019 and a 40% land bank increase to 550,000ha.
Astarta	AST PW	32.0	36.1	13%	BUY	Astarta has made decisive moves toward diversification (it opened a soybean processing plant in early 2014) and cost optimization (a bioenergy complex was launched in 2014). Astarta's exposure to UAH devaluation is largely offset by its UAH cost base, and it has no assets in the Donbass.
IMC	IMC PW	6.8	9.4	39%	BUY	IMC's quality agribusiness model suggests to us that the company's stock is undervalued. IMC's work on debt reduction, its ongoing land bank expansion program, and high standards of corporate governance are all positive factors offsetting the stock's low trading volume.
AvangardCo	AVGR LI	1.3	U/R	--	U/R	A massive loss on the EBITDA level of almost USD 100mn for 1H15 has damaged Avangard's financial reporting credibility.
Ovostar Union	OVO PW	88.3	80.8	-9%	U/R	Ovostar managed to increase its EBITDA by 15% YoY to USD 24mn in 9M15, as a drop in devaluation-driven egg pricing in USD terms was offset by strong growth in output, rising export sales, and high hryvnia egg inflation (+60% YoY in 9M15).
Iron Ore						
Ferrexpo	FXPO LN	32.3	23.0	-29%	SELL	The long slide in benchmark iron ore prices, exacerbated by a reduction in the pellet-to-fines premium, has hammered Ferrexpo's earnings in 2015, and the collapse of a related-party bank in September that resulted in the loss of USD 174mn in deposits provided a fresh setback to the company.
Steel						
Azovstal	AZST	0.37	0.56	50%	SELL	Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings.
Coke						
Avdyivka Coke	AVDK	1.02	U/R	--	Susp.	Avdyivka Coke's facilities are located on the front line of the Donbass separatist-occupied territory, and the plant has been experiencing periodic artillery shelling since August 2014. However, the company continues to operate, albeit at reduced capacity.
Specialized Machinery						
Motor Sich	MSICH	1919	5250	174%	BUY	Motor Sich should see its revenue 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%.
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	3.8	U/R	--	U/R	Regal has repeatedly missed its production targets since 2012.
JKX Oil & Gas	JKX	28.8	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	16.2	U/R	--	U/R	The Donetsk separatist government has nationalized DonbasEnerg's Starobeshevo power plant, which previously accounted for about 70% of the company's installed power-generating capacity.
CenterEnerg	CEEN	4.30	15.00	249%	BUY	CentrEnerg'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	0.070	0.24	243%	BUY	Raiffeisen Aval has a conservative risk policy, and we therefore assume it will manage to weather the current banking crisis in Ukraine and start to generate profits starting from 2016. The EBRD is expected to purchase a stake in the institution.

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	670.72	1158.71	656.99	-6.8%	-9.3%	-16.7%	-35.1%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.010	0.021	0.010	-11.1%	-14.8%	-11.9%	-28.3%	-4.3%	-5.5%	4.8%	6.8%
Azovstal	AZST	0.37	0.89	0.34	-5.1%	-23.9%	-45.7%	-50.3%	1.6%	-14.6%	-29.0%	-15.2%
Enakievo Steel	ENMZ	15.70	24.88	14.03	-1.9%	-1.3%	-1.9%	-25.1%	4.9%	7.9%	14.8%	10.0%
Coke												
Avdyivka Coke	AVDK	1.02	2.09	0.86	-9.7%	-4.0%	-8.2%	-41.0%	-3.0%	5.3%	8.5%	-6.0%
Yasynivsky Coking	YASK	0.28	0.43	0.06	0.0%	55.6%	115.4%	0.0%	6.8%	64.8%	132.1%	35.1%
Iron Ore Mining												
Centralny GOK	CGOK	5.00	n/a	n/a	0.0%	-28.6%	-9.1%	-35.8%	6.8%	-19.3%	7.6%	-0.7%
Ferrexpo	FXPO	32.25	80.00	29.75	-3.0%	-4.4%	-20.9%	-39.2%	3.8%	4.8%	-4.2%	-4.1%
Pivnichny GOK	SGOK	4.63	12.30	2.20	0.0%	16.0%	54.3%	-44.7%	6.8%	25.3%	71.0%	-9.6%
Coal Mining												
Pokrovske Mine	SHCHZ	0.25	n/a	n/a	0.0%	0.0%	0.0%	-46.8%	6.8%	9.3%	16.7%	-11.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.19	0.59	0.12	0.0%	0.0%	-17.4%	-50.0%	6.8%	9.3%	-0.7%	-14.9%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	8.99	13.90	7.40	-3.6%	1.2%	-3.3%	-30.0%	3.1%	10.5%	13.3%	5.1%
Luhanskteplovoz	LTPL	0.78	n/a	n/a	-2.5%	41.8%	23.8%	-27.8%	4.3%	51.1%	40.5%	7.3%
Specialized Machinery												
Motor Sich	MSICH	1919	2939	1889	-3.2%	-3.2%	-5.0%	-22.7%	3.5%	6.1%	11.7%	12.4%
Turboatom	TATM	4.10	n/a	n/a	0.0%	0.0%	n/a	n/a	6.8%	9.3%	n/a	n/a
Telecom												
Ukrtelecom	UTLM	0.16	0.21	0.10	4.7%	4.7%	0.0%	3.3%	11.4%	13.9%	16.7%	38.4%
Oil & Gas												
Regal Petroleum	RPT	3.75	6.50	3.13	-3.2%	-0.3%	-5.7%	20.0%	3.6%	9.0%	11.0%	55.1%
JKX Oil	JKX	28.75	37.38	11.00	-0.9%	0.9%	7.5%	139.6%	5.9%	10.1%	24.2%	174.7%
Ukrnafta	UNAF	177.5	337.6	165.0	-9.4%	-12.2%	-18.6%	-12.7%	-2.7%	-2.9%	-1.9%	22.4%
Power Utilities												
Centrenergo	CEEN	4.30	8.50	4.20	-11.8%	-16.7%	-19.2%	-43.0%	-5.1%	-7.4%	-2.5%	-7.9%
Donbasenergo	DOEN	16.20	35.28	15.24	-10.0%	1.2%	-6.9%	-50.9%	-3.2%	10.4%	9.8%	-15.8%
Zakhidenergo	ZAEN	95.0	193.9	71.0	23.4%	16.6%	-20.8%	-35.9%	30.2%	25.8%	-4.2%	-0.8%
Consumer												
Agroton	AGT	1.06	1.52	0.95	-4.5%	-12.4%	-19.1%	-13.8%	2.3%	-3.1%	-2.4%	21.3%
Astarta	AST	31.98	38.50	14.50	-2.4%	-10.2%	0.6%	59.9%	4.4%	-0.9%	17.2%	95.0%
Avangardo	AVGR	1.34	5.20	0.23	-4.6%	-12.2%	48.3%	-34.9%	2.1%	-2.9%	65.0%	0.2%
Industrial Milk Company	IMC	6.75	7.24	4.38	2.4%	3.7%	-2.2%	19.0%	9.2%	12.9%	14.5%	54.1%
Kernel	KER	50.40	55.20	24.07	-0.2%	-3.1%	-7.7%	77.1%	6.6%	6.2%	9.0%	112.2%
Mriya Agro Holding	MAYA	n/a	1.14	0.05	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MHPC	MHPC	9.85	12.05	8.24	3.7%	4.8%	5.9%	7.1%	10.5%	14.1%	22.6%	42.2%
Milkiland	MLK	1.83	3.50	0.89	7.0%	-17.6%	-6.2%	23.6%	13.8%	-8.3%	10.5%	58.7%
Ovostar Union	OVO	88.31	89.51	68.00	0.7%	0.9%	2.5%	22.7%	7.5%	10.1%	19.2%	57.7%
Chemicals												
Stirol	STIR	5.90	8.97	3.00	0.0%	39.5%	-1.7%	-14.9%	6.8%	48.7%	15.0%	20.2%
Banks												
Raiffeisen Bank Aval	BAVL	0.070	0.114	0.069	-5.4%	-5.4%	-9.7%	-27.1%	1.4%	3.9%	7.0%	8.0%
UkrSotsbank	USCB	0.094	0.150	0.064	0.0%	4.4%	4.4%	-27.8%	6.8%	13.7%	21.1%	7.3%

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	971	506	496	256	32.0%	35.8%	26.3%	264	184	126	16.7%	13.2%	13.0%
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																
Luhanskeplovovoz	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	179	41	50	-17	-4	10.9%	neg	neg	42	-22	-9	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	1,336	286	380	521	11.1%	16.4%	39.0%	23	105	253	0.9%	4.5%	19.0%
Regal Petroleum	RPT	37	35	22	-146	15	10	neg	44.5%	45.5%	-127	6	-1	neg	16.6%	neg
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	190	72	20	-12	11.0%	4.4%	neg	65	8	-16	9.9%	1.8%	neg
Consumer																
MHP	MHPC	1,496	1,379	1,131	391	555	455	26.1%	40.2%	40.2%	162	-412	-81	10.8%	neg	neg
Kernel	KER	2,797	2,393	2,330	291	223	397	10.4%	9.3%	17.0%	105	-107	101	3.8%	neg	4.3%
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	145	163	145	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	11	3.9%	0	2,625	neg	neg	neg	neg	neg	neg	1.5	3.7	9.4	678	633	614	\$/tonne
Yenakievo Steel	ENMZ	7	8.8%	1	5	neg	neg	0.3	neg	0.8	0.2	0.0	0.0	0.0	2	2	2	\$/tonne
Azovstal	AZST	65	3.0%	2	59	neg	0.8	1.0	neg	0.3	0.5	0.0	0.0	0.0	13	13	13	\$/tonne
Coke																		
Avdyivka Coke	AVDK	8	6.8%	1	-31	neg	neg	neg	-0.7	neg	neg	0.0	-0.1	-0.1	-7	-8	-8	\$/tonne
Yasynivsky Coke	YASK	3	9.0%	0	4	neg	neg	neg	0.1	neg	neg	0.0	0.0	0.0	0.1	neg	neg	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	246	0.3%	1	245	1.3	2.1	3.1	0.8	1.1	1.5	0.4	0.4	0.4				
Pivnichny GOK	SGOK	448	0.4%	2	442	0.8	1.4	2.0	0.5	0.7	1.0	0.3	0.3	0.3				
Ferrexpo	FXPO	293	24.0%	70	1,311	1.1	1.6	2.3	2.6	2.6	5.1	0.8	0.9	1.4				
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	21	2.0%	0	66	4.4	0.9	11.3	2.1	1.5	3.7	0.2	0.3	0.7	106	175	166	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	7	24.0%	2	44	0.4	neg	n/a	1.2	neg	n/a	0.1	0.3	n/a				
Krukiv Wagon	KVBZ	43	5.0%	2	37	1.0	neg	neg	0.7	neg	neg	0.1	0.2	0.9				
Specialized Machinery																		
Turboatom	TATM	62	5.8%	4	32	0.9	1.2	2.7	0.4	0.4	0.9	0.1	0.2	0.3				
Motor Sich	MSICH	168	24.0%	40	172	1.0	1.3	1.8	0.4	0.5	0.8	0.2	0.2	0.3				
Telecom																		
Ukrtelecom	UTLM	124	7.2%	9	214	neg	6.8	13.6	neg	2.5	3.0	0.3	0.5	0.9				
Oil & Gas																		
Ukrnafta	UNAF	404	3.0%	12	397	17.4	3.8	1.6	1.4	1.0	0.8	0.2	0.2	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	19	21.6%	4	-6	neg	3.2	neg	neg	-0.4	-0.6	-0.2	-0.2	-0.3	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	77	50.4%	39	185	11.8	neg	15.3	2.8	2.7	2.6	1.0	1.3	1.2	34	25	25	\$/boe
Electric Utilities																		
CentrEnerg	CEEN	67	21.7%	14	50	1.1	11.3	neg	0.5	1.9	neg	0.1	0.1	0.2	3	4	3	\$/MWh
DonbasEnerg	DOEN	16	14.2%	2	32	0.2	1.9	neg	0.4	1.6	neg	0.0	0.1	0.2	4	4	4	\$/MWh
Consumer																		
MHP	MHPC	1,041	34.1%	355	2,204	6.4	neg	neg	5.6	4.0	4.8	1.5	1.6	1.9				
Kernel	KER	1,078	61.8%	666	1,417	10.3	neg	10.7	4.9	6.4	3.6	0.5	0.6	0.6				
Astarta	AST	215	37.0%	79	418	6.3	neg	neg	4.6	2.9	4.3	0.9	1.0	1.2				
Avangardco	AVGR	85	22.5%	19	373	0.4	neg	neg	1.2	2.9	4.0	0.6	0.9	1.0	84	64	60	\$/mneqgs
Ovostar	OVO	142	25.0%	36	150	4.6	5.5	5.9	4.2	5.1	6.0	1.8	2.0	1.9	n/a	n/a	n/a	
Banks																		
						P/E			P/Book			P/Assets						
Raiffeisen Bank Aval	BAVL	88	3.5%	3		1.0	neg	neg	0.1	0.2	0.3	0.02	0.03	0.04				
Ukrsotsbank	USCB	306	0.2%	1		>30	>30	>30	0.3	0.6	0.8	0.07	0.14	0.18				

Source: Eavex Research

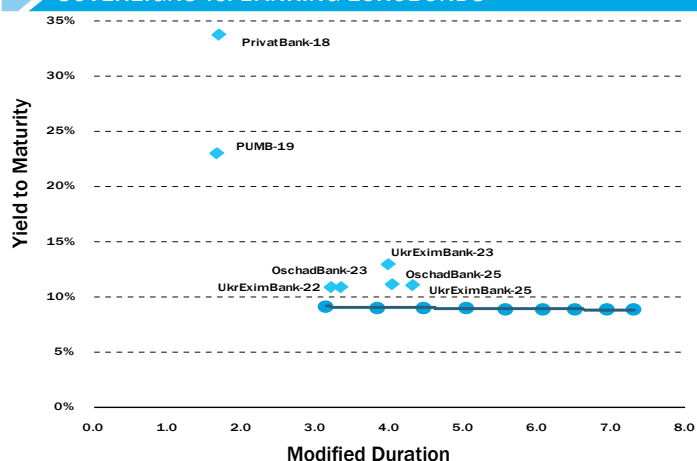
UKRAINIAN EUROBONDS

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, 2019	98.3	99.0	8.3%	8.1%	n/a	3.2	7.75%	S/A	1 Sept 2019	1,155	//
Ukraine, 2020	97.9	99.0	8.3%	8.0%	n/a	3.9	7.75%	S/A	1 Sept 2020	1,531	//
Ukraine, 2021	97.5	98.3	8.3%	8.1%	n/a	4.5	7.75%	S/A	1 Sept 2021	1,378	//
Ukraine, 2022	97.3	98.0	8.3%	8.1%	n/a	5.1	7.75%	S/A	1 Sept 2022	1,355	//
Ukraine, 2023	97.0	97.8	8.3%	8.1%	n/a	5.6	7.75%	S/A	1 Sept 2023	1,330	//
Ukraine, 2024	96.8	97.5	8.3%	8.2%	n/a	6.1	7.75%	S/A	1 Sept 2024	1,315	//
Ukraine, 2025	96.5	97.3	8.3%	8.2%	n/a	6.6	7.75%	S/A	1 Sept 2025	1,306	//
Ukraine, 2026	96.3	97.0	8.3%	8.2%	n/a	7.0	7.75%	S/A	1 Sept 2026	1,295	//
Ukraine, 2027	96.5	97.3	8.2%	8.1%	n/a	7.4	7.75%	S/A	1 Sept 2027	1,286	//
Ukraine, GDP-linked	45.0	46.0	n/a	n/a	n/a	n/a	0.00%	S/A	31 May 2040	2,916	//
Corporate Eurobonds											
Agroton, 2019	10.0	13.0	120.2%	99.1%	-66.0%	1.4	8.00%	S/A	14 Jul 2019	50	//RD
MHP, 2020	91.6	92.7	10.7%	10.4%	33.6%	3.5	8.25%	S/A	2 Apr 2020	750	/ccc-/ccc
Avangardco, 2018	43.0	57.0	44.5%	32.3%	-18.7%	2.4	10.00%	S/A	29 Oct 2018	206	//WD
UkrLandFarming, 2018	52.5	55.0	45.9%	43.1%	19.4%	1.6	10.88%	S/A	26 Mar 2018	500	/CC/WD
Mriya, 2016	15.0	15.0	n/a	n/a	36.4%	0.1	10.95%	S/A	30 Mar 2016	72	/SD/RD
Mriya, 2018	n/a	n/a	n/a	n/a	n/a	1.4	9.45%	S/A	19 Apr 2018	400	/SD/RD
DTEK, 2018	53.0	56.0	44.6%	41.3%	-30.1%	1.7	10.375%	S/A	28 Mar 2018	160	Ca//C
DTEK, 2018	47.0	50.0	47.4%	43.9%	9.0%	1.7	7.88%	S/A	4 Apr 2018	750	Ca//C
Metinvest, 2016	67.8	71.1	n/a	n/a	-12.1%	0.1	10.25%	S/A	31 Jan 2016	85	Caa3//C
Metinvest, 2017	62.1	64.6	39.4%	36.8%	-9.5%	0.8	10.50%	S/A	28 Nov 2017	290	Caa3//C
Metinvest, 2018	60.0	62.5	36.4%	33.9%	10.4%	1.7	8.75%	S/A	14 Feb 2018	750	Caa3//C
Ferrexpo, 2019	64.9	69.5	26.8%	24.0%	-13.8%	2.5	10.375%	S/A	07 Apr 2019	186	Caa3//C
Ferrexpo, 2019	60.0	62.5	36.4%	33.9%	-21.5%	1.7	10.375%	S/A	07 Apr 2019	161	Caa3//C
RailUA, 2018	83.9	86.0	17.7%	16.6%	60.2%	2.1	9.50%	S/A	21 May 2018	500	/CC/C
Interepipe, 2017	36.0	38.5	99.1%	92.1%	-32.3%	1.0	10.25%	S/A	2 Aug 2017	200	//
JKX Oil&Gas, 2018	67.9	71.4	35.0%	32.1%	19.6%	1.0	8.00%	S/A	19 Feb 2018	40	
Bank Eurobonds											
Fin&Credit Bank, 2019	8.9	11.6	137.9%	116.9%	-87.7%	1.4	9.25%	S/A	25 Jan 2019	100	//
PUMB, 2018	70.0	75.1	25.2%	22.3%	2.9%	1.7	11.00%	Q	31 Dec 2018	275	WR//NR
Nadra Bank, 2018	6.0	10.8	n/a	n/a	-33.0%	0.1	6.25%	A	31 Jul 2018	60	//
PrivatBank, 2015	70.7	75.0	200.3%	163.5%	16.2%	n/a	9.38%	S/A	23 Sept 2015	200	Cau//CC
PrivatBank, 2016	61.1	63.4	291.5%	265.7%	22.2%	0.1	8.75%	S/A	9 Feb 2016	150	Cau//CC
PrivatBank, 2018	63.0	68.0	36.0%	31.6%	11.0%	1.7	10.88%	S/A	28 Feb 2018	175	Cau//CC
UkrEximBank, 2022	96.0	97.1	10.5%	10.3%	24.5%	3.4	9.625%	S/A	27 Apr 2022	750	WR//C
UkrEximBank, 2023	75.2	77.3	13.0%	12.5%	52.5%	n/a	7.51%	S/A	9 Feb 2023	125	Ca//C
UkrEximBank, 2025	95.0	96.0	10.6%	10.4%	59.1%	4.4	9.75%	S/A	22 Jan 2025	600	Ca//C
VAB Bank, 2019	n/a	n/a	n/a	n/a	n/a	n/a	9.00%	Q	14 Jun 2019	88	//WD
Oschadbank, 2023	95.1	96.2	10.3%	10.1%	47.1%	3.3	8.25%	S/A	10 Mar 2023	700	Ca//CC
Oschadbank, 2025	94.1	95.2	10.6%	10.4%	66.1%	4.1	8.88%	S/A	20 Mar 2025	500	Ca//CC
Municipal Eurobonds											
City of Kyiv, 2015	74.5	79.4	n/a	n/a	n/a	n/a	8.00%	S/A	6 Nov 2015	250	Ca/CC/CC
City of Kyiv, 2016	77.0	79.0	n/a	n/a	9.8%	n/a	9.375%	S/A	11 Jul 2016	300	Ca/CC/CC

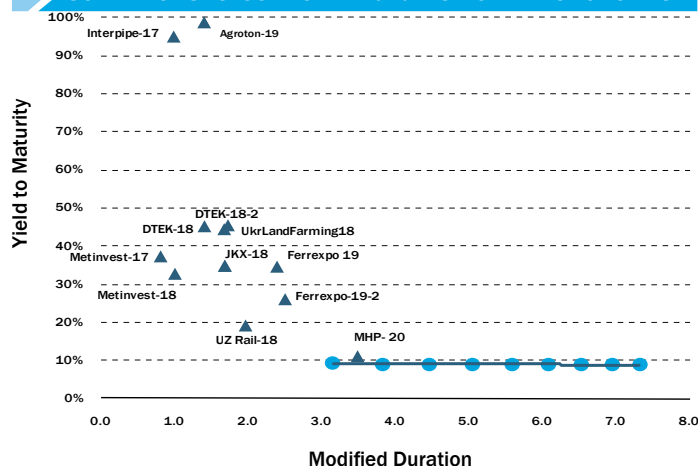
¹ Moody's/S&P/Fitch; * EUR

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									
UA4000142665			23%	20%	n/a	14.30%	S/A	24 May 2017	n/a
VAT Bonds									
UA4000185151			23%	21%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			23%	21%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			23%	21%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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