

Market Update

Equity

Kyiv-listed stocks were little-changed on Thursday (Dec 10) during a subdued trading session. The news flow was dominated by encouraging reports that the Cabinet of Ministers and Parliament are open to compromise on tax legislation, signaling a possible end to the standoff on tax reform. Both sides agree that the tax amendments should achieve three goals: stimulate economic development, reduce the tax pressure on business, and prevent a large budget deficit. It is crucial for Parliament to pass the tax legislation by the end of the year, as the budget for 2016 year must be based on the new tax rates. The UX index edged up by 0.3% to close at 704 points. Azovstal (AZST) was the best performer, adding 1.0% to 42.60 kopecks. On the interbank currency market, the hryvnia was once again hit by downside volatility, with the dollar sell rate rising 2.5% to 23.57 UAH/USD on increased demand for foreign currency from importers. In London, Ferrexpo (FXPO) resumed its sharp decline amid the latest iron ore rout after a one-day pause, falling 5.4% to a new 7-year low of GBP 22.00. Warsaw-listed Agrotion (AGT) jumped 9.5% to PLN 1.04 on low volume, while Astarta (AST) lost 1.2% to PLN 33.00.

Fixed Income

Quotes for Ukrainian sovereign Eurobonds increased yesterday with the shortest issue Ukraine-19s adding 0.5 p.p. to 96.0/96.8 (9.0%/8.8%) and Ukraine-25s edging up 0.5 p.p. to 91.3/92.0 (9.1%/9.0%). In corporate universe, Metinvest-17s plunged 10.5 p.p. to 44.7/47.0 (64%/60%).

| Volume Leaders | Ticker | Last, UAH | 1D ch | Volume, UAH mn | Number of Trades |
|----------------------|--------|-----------|-------|----------------|------------------|
| Centrenergy | CEEN | 4.55 | -0.8% | 0.62 | 46 |
| Raiffeisen Bank Aval | BAVL | 0.08 | -0.3% | 0.22 | 40 |
| Motor Sich | MSICH | 1983.00 | 0.2% | 0.11 | 12 |

Growth Leaders

| | | | | | |
|----------------------|-------|---------|-------|-------|----|
| Ukrnafta | UNAF | 177.00 | 1.1% | 0.011 | 6 |
| Motor Sich | MSICH | 1983.00 | 0.2% | 0.109 | 12 |
| Raiffeisen Bank Aval | BAVL | 0.08 | -0.3% | 0.222 | 40 |

Loss Leaders

| | | | | | |
|----------------------|------|------|-------|-------|----|
| Bogdan Motors | LUAZ | 0.01 | -9.9% | 0.005 | 8 |
| Centrenergy | CEEN | 4.55 | -0.8% | 0.622 | 46 |
| Raiffeisen Bank Aval | BAVL | 0.08 | -0.3% | 0.222 | 40 |

Highlights

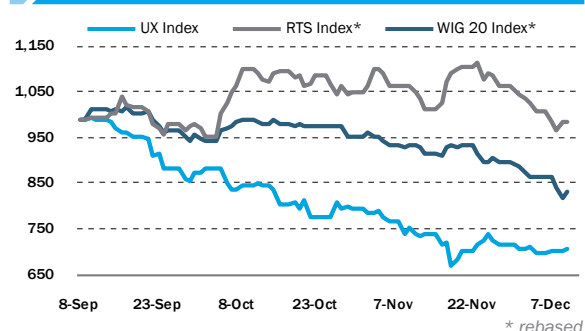
STOCKS IN THE NEWS

- Ovostar Cuts Egg Output Guidance for 2015-16 Amid Oversupply Concerns

FIXED INCOME

- Mriya CEO: Maximum Manageable Debt for the Company Is USD 300mn

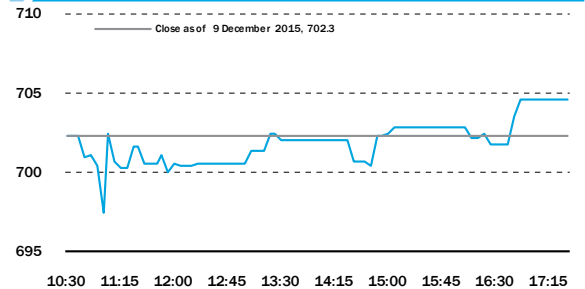
STOCK MARKET PERFORMANCE



MARKET INDEXES

| | Last | 1D ch | 1M ch | YTD |
|---------|--------|-------|--------|--------|
| UX | 704.6 | 0.3% | -4.9% | -31.8% |
| RTS | 792.8 | 0.0% | -7.3% | 0.3% |
| WIG20 | 1798.9 | 1.4% | -10.6% | -22.3% |
| MSCI EM | 789.0 | -0.8% | -6.5% | -17.5% |
| S&P 500 | 2052.2 | 0.2% | -1.3% | -0.3% |

UX INTRADAY DECEMBER 10, 2015



FIXED INCOME

| | Last | 1D ch | 1M ch | YTD |
|-------------|--------|-----------|-----------|------------|
| EMBI+Global | 433.3 | 0.6% | 5.0% | 7.2% |
| CDS 5Y UKR | 1050.0 | 0.0% | 0.0% | -52.3% |
| Ukraine-19 | 8.9% | -0.3 p.p. | n/a | n/a |
| Ukraine-27 | 9.0% | -0.1 p.p. | n/a | n/a |
| MHP-20 | 11.3% | 0.1 p.p. | 0.2 p.p. | -6.2 p.p. |
| RAILUA-18 | 15.5% | -0.1 p.p. | -4.0 p.p. | -18.2 p.p. |

CURRENCY

| | Last, UAH | 1D ch | 1M ch | YTD |
|-----|-----------|-------|-------|-------|
| USD | 23.53 | 2.4% | 3.3% | 48.7% |
| EUR | 25.61 | 1.6% | 6.4% | 33.8% |
| RUB | 0.34 | 3.0% | -3.3% | 24.1% |

COMMODITIES

| | Last | 1D ch | 1M ch | YTD |
|---------------|--------|-------|--------|--------|
| Wheat, USD/t* | 188.6 | 0.0% | -4.9% | -23.4% |
| Steel, USD/t | 265.0 | 0.0% | -4.5% | -41.1% |
| Oil, USD/bbl | 39.7 | -0.9% | -17.1% | -38.1% |
| Gold, USD/oz | 1071.6 | -0.1% | -1.9% | -9.6% |

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ovostar Cuts Egg Output Guidance for 2015-16 Amid Oversupply Concerns

by Ivan Dzvinka
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MILKILAND (MLK PW)

Price: PLN 11.45 Market Cap: USD 168mn

| | EV/S | P/E | EV/EBITDA | Div. Yield |
|-------|------|-----|-----------|------------|
| 2014 | | | | |
| 2015E | | | | |

NEWS

Ovostar Union, Ukraine's third largest egg producer, has revised its shell egg output expectations for full-year 2016 to 1.45bn down from 1.60bn, the company stated on its website (Dec 10). Egg output guidance for FY15 was revised to 1.20bn from 1.25bn. Ovostar also expects its FY15 liquid egg products (EP) output to come in lower by 8% YoY to 6,030 tonnes (vs. +5% to 6,900 tonnes earlier). In FY16, liquid EP production is projected by management to rise by 8% YoY to 6,500 tonnes (vs. 7,200 tonnes in the previous forecast). Meanwhile, the dry EP output forecast was left unchanged at 1,900 tonnes in FY15 (+8% YoY) and 2,200 tonnes in FY16 (+16%).

The share of exports in Ovostar's egg sales volume in 9M15 stood at 26% (vs. 15% in 9M14) and the company intends to maintain the ratio at this level over 2016. The key export markets are the United Arab Emirates, Hong Kong and Qatar.

By the end of its expansion program in 2018, management said it expects the company's egg output to reach 2.0bn pieces per annum.

COMMENTARY

We suspect that Ovostar's downward revision of egg output in the near term is aimed at avoiding a glut on the domestic market in order to be able to keep the egg price rising. The company's achieved average egg price rose by 66% YoY in 9M15 (in UAH terms) and continues to move up on the eve of the Christmas-New Year holiday season. The reduction in liquid EP output is also a rational tactic, as it is better for the company to focus on export-oriented (and more profitable) production of dry EP. Despite the hryvnia devaluation, Ovostar managed to post a robust 46% EBITDA margin for 9M15 in its USD-denominated financials, as growth in production cost was mostly offset by a higher selling price and expansion of export sales. Currently, the key risks for the company are renewed sharp hryvnia devaluation, growth in fodder prices, and a limited ability to raise prices on the domestic market.

Mriya CEO: Maximum Manageable Debt for the Company Is USD 300mn

by Ivan Dzvinka
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NEWS

The CEO of crop grower Mriya Agroholding, which was taken over by its creditors in early 2015 after going bankrupt, expects the completion of a restructuring negotiations with creditors by the end of 2015. Simon Cherniavsky was speaking at an agribusiness conference on Thursday (Dec 10). As a result of the restructuring, some USD 300mn of debt will remain outstanding, he said, stating that USD 300mn is the maximum level which the company is able to service. The lion's share of the current debt of USD 1.1bn will be converted into equity. Each of the new major shareholding entities will own some 10-15% of total equity, the CEO said.

COMMENTARY

With EBITDA forecasted by management in 2018-21 in the range of USD 175mn per year, the post-restructuring debt figure of USD 300mn would suggest a Debt/EBITDA ratio of 1.7-1.8x. This is a manageable level, although it does not take into account that the company will have to raise additional funds for replenishment of working capital. Also, with an operated land bank of near 165,000 ha (management's forecast) over 2017-21, we note that medium-term annual EBITDA is assumed to be in the range of USD 1,000 per hectare. However, this optimistic assumption is realistic only under a scenario of substantial recovery in grain and oilseed prices. For reference, MHP, which is one of Ukraine's most efficient crop growers, forecasted its 2015 EBITDA per hectare at only USD 400/ha, and this estimate was made before the July-August drought.

EAVEX RECOMMENDATIONS

| Name | Ticker | Price, per share | Target price, per share | Upside, % | Rating | Commentary |
|------------------------------|---------|------------------|-------------------------|-----------|--------|--|
| Agriculture | | | | | | |
| Kernel | KER PW | 44.0 | 57.20 | 30% | 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 | 9.4 | 12.03 | 28% | 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 | 33.0 | 36.1 | 10% | 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 | 6.3 | 9.4 | 49% | 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 | 1.6 | 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 | 89.0 | 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 | 22.0 | 23.0 | 5% | 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 | 0.43 | 0.56 | 31% | SELL | Non-transparent accounting practices overseen by majority owner Metinvest detrimentally affect Azovstal's reported earnings. |
| Coke | | | | | | |
| Avdyivka Coke | AVDK | 1.08 | 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 | 1983 | 5250 | 165% | 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 | 3.6 | U/R | -- | U/R | Regal has repeatedly missed its production targets since 2012. |
| JKX Oil & Gas | JKX | 27.5 | 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 | 16.7 | 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 | 4.55 | 15.00 | 229% | 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 | 0.076 | 0.24 | 217% | 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 | 704.57 | 1158.71 | 656.99 | 0.3% | -1.0% | -4.9% | -31.8% | 0.0% | 0.0% | 0.0% | 0.0% |
| Steel | | | | | | | | | | | | |
| Alchevsk Steel | ALMK | 0.012 | 0.018 | 0.010 | 0.0% | 6.9% | 7.8% | -14.5% | -0.3% | 7.9% | 12.7% | 17.3% |
| Azovstal | AZST | 0.43 | 0.89 | 0.34 | 0.9% | -0.2% | -16.8% | -42.8% | 0.6% | 0.7% | -11.9% | -11.0% |
| Enakievo Steel | ENMZ | 15.85 | 24.88 | 14.03 | 0.0% | -2.8% | -0.3% | -24.3% | -0.3% | -1.8% | 4.6% | 7.5% |
| Coke | | | | | | | | | | | | |
| Avdyivka Coke | AVDK | 1.08 | 1.99 | 0.86 | 0.0% | 0.5% | -0.6% | -37.8% | -0.3% | 1.4% | 4.3% | -6.0% |
| Yasynivsky Coking | YASK | 0.33 | 0.43 | 0.06 | 0.0% | 0.0% | 135.7% | 17.9% | -0.3% | 1.0% | 140.6% | 49.7% |
| Iron Ore Mining | | | | | | | | | | | | |
| Centralny GOK | CGOK | 7.25 | n/a | n/a | 0.0% | 45.0% | 3.6% | -6.9% | -0.3% | 46.0% | 8.5% | 24.9% |
| Ferrexpo | FXPO | 22.00 | 80.00 | 22.00 | -5.4% | -12.9% | -33.8% | -58.5% | -5.7% | -11.9% | -29.0% | -26.7% |
| Pivnichny GOK | SGOK | 3.99 | 12.30 | 2.20 | 0.0% | 0.0% | 0.0% | -52.3% | -0.3% | 1.0% | 4.9% | -20.5% |
| Coal Mining | | | | | | | | | | | | |
| Pokrovske Mine | SHCHZ | 0.30 | n/a | n/a | 0.0% | -14.3% | 20.0% | -36.2% | -0.3% | -13.3% | 24.9% | -4.4% |
| Pipe Manufacturing | | | | | | | | | | | | |
| Khartsyzk Pipe | HRTR | 0.16 | 0.59 | 0.12 | 0.0% | 0.0% | -15.8% | -57.9% | -0.3% | 1.0% | -10.9% | -26.1% |
| Railcar Manufacturing | | | | | | | | | | | | |
| Kryukiv Wagon | KVBZ | 8.54 | 13.90 | 7.40 | 0.0% | 2.9% | -3.5% | -33.5% | -0.3% | 3.9% | 1.4% | -1.7% |
| Luhanskteplovoz | LTPL | 0.75 | n/a | n/a | 0.0% | 0.0% | 36.4% | -30.6% | -0.3% | 1.0% | 41.2% | 1.3% |
| Specialized Machinery | | | | | | | | | | | | |
| Motor Sich | MSICH | 1983 | 2939 | 1889 | 0.2% | -0.4% | 0.1% | -20.1% | -0.1% | 0.6% | 4.9% | 11.7% |
| Turboatom | TATM | 4.10 | n/a | n/a | 0.0% | 0.0% | 9.3% | n/a | -0.3% | 1.0% | 14.2% | n/a |
| Telecom | | | | | | | | | | | | |
| Ukrtelecom | UTLM | 0.10 | 0.21 | 0.09 | 0.0% | 9.8% | -32.7% | -33.6% | -0.3% | 10.8% | -27.8% | -1.7% |
| Oil & Gas | | | | | | | | | | | | |
| Regal Petroleum | RPT | 3.55 | 6.50 | 3.13 | -0.3% | -5.3% | -16.5% | 13.6% | -0.6% | -4.4% | -11.6% | 45.4% |
| JKX Oil | JKX | 27.50 | 37.38 | 11.75 | 0.0% | 0.0% | -3.5% | 129.2% | -0.3% | 1.0% | 1.4% | 161.0% |
| Ukrnafta | UNAF | 177.0 | 337.6 | 165.0 | 1.1% | -7.5% | -13.3% | -12.9% | 0.8% | -6.6% | -8.4% | 18.9% |
| Power Utilities | | | | | | | | | | | | |
| Centrenergo | CEEN | 4.55 | 8.50 | 4.20 | -0.8% | 2.6% | -10.7% | -39.6% | -1.1% | 3.5% | -5.8% | -7.8% |
| Donbasenergo | DOEN | 16.68 | 35.28 | 15.24 | 1.2% | 0.1% | 2.4% | -49.5% | 0.9% | 1.0% | 7.3% | -17.6% |
| Zakhidenergo | ZAEN | 85.0 | 193.9 | 52.0 | 0.0% | 0.0% | 4.9% | -42.6% | -0.3% | 1.0% | 9.8% | -10.8% |
| Consumer | | | | | | | | | | | | |
| Agroton | AGT | 1.04 | 1.52 | 0.95 | 9.5% | 0.0% | -13.3% | -15.4% | 9.1% | 1.0% | -8.4% | 16.4% |
| Astarta | AST | 32.99 | 38.50 | 16.25 | -1.2% | -2.1% | -14.3% | 65.0% | -1.6% | -1.1% | -9.4% | 96.8% |
| Avangardo | AVGR | 1.59 | 4.50 | 0.23 | 0.0% | 0.0% | 34.2% | -22.4% | -0.3% | 1.0% | 39.1% | 9.4% |
| Industrial Milk Company | IMC | 6.30 | 7.24 | 4.38 | 0.0% | 0.0% | -6.0% | 11.1% | -0.3% | 1.0% | -1.1% | 42.9% |
| Kernel | KER | 44.00 | 55.20 | 26.10 | 0.0% | -9.4% | -15.4% | 54.6% | -0.3% | -8.4% | -10.5% | 86.4% |
| Mriya Agro Holding | MAYA | n/a | 1.01 | 0.05 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| MHPC | MHPC | 9.40 | 12.05 | 8.24 | 0.0% | -1.9% | -1.2% | 2.2% | -0.3% | -0.9% | 3.7% | 34.0% |
| Milkiland | MLK | 1.58 | 3.50 | 0.89 | 5.3% | -1.3% | -20.2% | 6.8% | 5.0% | -0.3% | -15.3% | 38.6% |
| Ovostar Union | OVO | 89.00 | 89.51 | 68.00 | 0.0% | 0.0% | 2.3% | 23.6% | -0.3% | 1.0% | 7.2% | 55.4% |
| Chemicals | | | | | | | | | | | | |
| Stirol | STIR | 5.90 | n/a | n/a | 0.0% | 0.0% | 39.5% | -14.9% | -0.3% | 1.0% | 44.4% | 17.0% |
| Banks | | | | | | | | | | | | |
| Raiffeisen Bank Aval | BAVL | 0.076 | 0.114 | 0.069 | 0.8% | -8.5% | 4.4% | -21.0% | 0.5% | -7.5% | 9.3% | 10.8% |
| UkrSotsbank | USCB | 0.090 | 0.145 | 0.064 | -4.3% | -4.3% | 0.0% | -30.9% | -4.6% | -3.3% | 4.9% | 0.9% |

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 | | | | | | | | | | | | | | | | |
| 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 | 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 | 13 | 10.3% | 4.1% | 4.1% | 60 | 6 | 5 | 6.5% | 0.9% | 1.4% |
| 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 | na | 301 | 129 | na | 45.6% | 30.9% | #VALUE! | 238 | -27 | na | 36.0% | neg | #VALUE! |
| 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 | 14 | 3.9% | 1 | 2,627 | neg | neg | neg | neg | neg | neg | 1.5 | 3.8 | 9.4 | 679 | 633 | 615 | \$/tonne |
| Yenakievo Steel | ENMZ | 7 | 8.8% | 1 | 5 | neg | neg | 0.3 | neg | 0.9 | 0.2 | 0.0 | 0.0 | 0.0 | 2 | 2 | 2 | \$/tonne |
| Azovstal | AZST | 76 | 3.0% | 2 | 70 | neg | 1.0 | 1.2 | neg | 0.4 | 0.6 | 0.0 | 0.0 | 0.0 | 15 | 15 | 15 | \$/tonne |
| Coke | | | | | | | | | | | | | | | | | | |
| Avdivka Coke | AVDK | 9 | 6.8% | 1 | -30 | neg | neg | neg | -0.7 | neg | neg | 0.0 | -0.1 | -0.1 | -7 | -8 | -8 | \$/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 | 361 | 0.3% | 1 | 360 | 1.9 | 3.1 | 4.5 | 1.2 | 1.6 | 2.3 | 0.5 | 0.6 | 0.7 | | | | |
| Pivnichny GOK | SGOK | 391 | 0.4% | 2 | 384 | 0.7 | 1.2 | 1.7 | 0.4 | 0.6 | 0.8 | 0.2 | 0.3 | 0.3 | | | | |
| Ferrexpo | FXPO | 200 | 24.0% | 48 | 1,217 | 0.8 | 1.1 | 1.6 | 2.4 | 2.5 | 4.8 | 0.8 | 0.9 | 1.3 | | | | |
| Pipe Manufacturing | | | | | | | | | | | | | | | | | | |
| Khartsyzk Pipe | HRTR | 18 | 2.0% | 0 | 63 | 3.8 | 0.8 | 9.6 | 2.0 | 1.5 | 3.6 | 0.2 | 0.3 | 0.7 | 101 | 167 | 159 | \$/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 | 42 | 5.0% | 2 | 36 | 1.0 | neg | neg | 0.7 | neg | neg | 0.1 | 0.2 | 0.9 | | | | |
| Specialized Machinery | | | | | | | | | | | | | | | | | | |
| Turboatom | TATM | 63 | 5.8% | 4 | 32 | 0.9 | 1.2 | 2.8 | 0.4 | 0.4 | 0.9 | 0.2 | 0.2 | 0.3 | | | | |
| Motor Sich | MSICH | 175 | 24.0% | 42 | 180 | 1.1 | 1.4 | 1.9 | 0.5 | 0.5 | 0.8 | 0.2 | 0.2 | 0.3 | | | | |
| Telecom | | | | | | | | | | | | | | | | | | |
| Ukrtelecom | UTLM | 80 | 7.2% | 6 | 171 | neg | 4.4 | 8.8 | neg | 2.0 | 2.4 | 0.2 | 0.4 | 0.7 | | | | |
| Oil & Gas | | | | | | | | | | | | | | | | | | |
| Ukrnafta | UNAF | 408 | 3.0% | 12 | 401 | 17.5 | 3.9 | 1.6 | 1.4 | 1.1 | 0.8 | 0.2 | 0.2 | 0.3 | n/a | n/a | n/a | \$/boe |
| Regal Petroleum | RPT | 18 | 21.6% | 4 | -7 | neg | 3.1 | neg | neg | -0.5 | -0.7 | -0.2 | -0.2 | -0.3 | n/a | n/a | n/a | \$/boe |
| JKX Oil & Gas | JKX | 73 | 50.4% | 37 | 182 | 11.3 | neg | 14.7 | 2.7 | 2.6 | 2.6 | 1.0 | 1.2 | 1.2 | 33 | 25 | 24 | \$/boe |
| Electric Utilities | | | | | | | | | | | | | | | | | | |
| CentrEnerg | CEEN | 72 | 21.7% | 16 | 54 | 1.2 | 12.2 | 15.5 | 0.6 | 2.1 | 4.1 | 0.1 | 0.1 | 0.2 | 3 | 4 | 3 | \$/MWh |
| DonbasEnerg | DOEN | 17 | 14.2% | 2 | 33 | 0.3 | 2.0 | neg | 0.5 | 1.6 | neg | 0.0 | 0.1 | 0.2 | 4 | 4 | 4 | \$/MWh |
| Consumer | | | | | | | | | | | | | | | | | | |
| MHP | MHPC | 993 | 34.1% | 339 | 2,156 | 6.1 | neg | neg | 5.5 | 3.9 | 4.7 | 1.4 | 1.6 | 1.9 | | | | |
| Kernel | KER | 941 | 61.8% | 582 | 1,280 | 9.0 | neg | 9.3 | 4.4 | 5.7 | 3.2 | 0.5 | 0.5 | 0.5 | | | | |
| Astarta | AST | 221 | 37.0% | 82 | 425 | 6.5 | neg | neg | 4.7 | 3.0 | 4.3 | 0.9 | 1.0 | 1.2 | | | | |
| Avangardco | AVGR | 102 | 22.5% | 23 | 399 | 0.4 | neg | n/a | 1.3 | 3.1 | n/a | 0.6 | 1.0 | n/a | 90 | 69 | 65 | \$/mneqgs |
| Ovostar | OVO | 143 | 25.0% | 36 | 151 | 4.6 | 5.6 | 5.9 | 4.2 | 5.2 | 6.0 | 1.9 | 2.0 | 1.9 | n/a | n/a | n/a | |
| Banks | | | | | | | | | | | | | | | | | | |
| | | | | | | P/E | | | P/Book | | | P/Assets | | | | | | |
| Raiffeisen Bank Aval | BAVL | 198 | 3.5% | 7 | | 2.2 | neg | neg | 0.2 | 0.5 | 0.7 | 0.04 | 0.07 | 0.09 | | | | |
| Ukrsotsbank | USCB | 296 | 0.2% | 1 | | >30 | >30 | >30 | 0.3 | 0.6 | 0.8 | 0.07 | 0.14 | 0.18 | | | | |

Source: Eavex Research

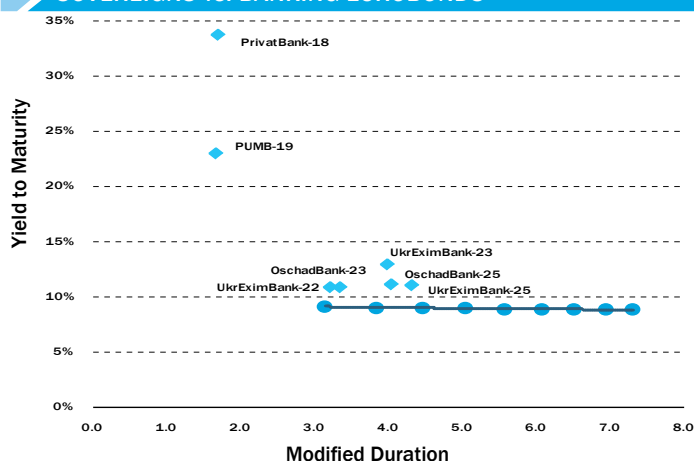
UKRAINIAN EUROBONDS

| 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 | 96.0 | 96.8 | 9.0% | 8.8% | n/a | 3.1 | 7.75% | S/A | 1 Sept 2019 | 1,155 | Caa3/B-/CCC |
| Ukraine, 2020 | 94.3 | 95.1 | 9.3% | 9.0% | n/a | 3.8 | 7.75% | S/A | 1 Sept 2020 | 1,531 | Caa3/B-/CCC |
| Ukraine, 2021 | 94.0 | 94.8 | 9.1% | 8.9% | n/a | 4.4 | 7.75% | S/A | 1 Sept 2021 | 1,378 | Caa3/B-/CCC |
| Ukraine, 2022 | 93.0 | 93.8 | 9.2% | 9.0% | n/a | 5.0 | 7.75% | S/A | 1 Sept 2022 | 1,355 | Caa3/B-/CCC |
| Ukraine, 2023 | 92.3 | 93.0 | 9.2% | 9.0% | n/a | 5.5 | 7.75% | S/A | 1 Sept 2023 | 1,330 | Caa3/B-/CCC |
| Ukraine, 2024 | 91.5 | 92.3 | 9.2% | 9.1% | n/a | 6.0 | 7.75% | S/A | 1 Sept 2024 | 1,315 | Caa3/B-/CCC |
| Ukraine, 2025 | 91.3 | 92.0 | 9.1% | 9.0% | n/a | 6.4 | 7.75% | S/A | 1 Sept 2025 | 1,306 | Caa3/B-/CCC |
| Ukraine, 2026 | 91.0 | 91.8 | 9.1% | 9.0% | n/a | 6.8 | 7.75% | S/A | 1 Sept 2026 | 1,295 | Caa3/B-/CCC |
| Ukraine, 2027 | 90.8 | 91.5 | 9.0% | 8.9% | n/a | 7.2 | 7.75% | S/A | 1 Sept 2027 | 1,286 | Caa3/B-/CCC |
| Ukraine, GDP-linked (VRI) | 44.5 | 45.5 | n/a | n/a | n/a | n/a | 0.00% | S/A | 31 May 2040 | 2,916 | Caa3/B-/CCC |
| Corporate Eurobonds | | | | | | | | | | | |
| Agroton, 2019 | 10.0 | 13.0 | 126.3% | 103.2% | -66.0% | 1.3 | 8.00% | S/A | 14 Jul 2019 | 50 | //RD |
| MHP, 2020 | 89.1 | 90.3 | 11.5% | 11.2% | 30.0% | 3.4 | 8.25% | S/A | 2 Apr 2020 | 750 | /CCC-/CCC |
| Avangardco, 2018 | 49.0 | 52.0 | 39.7% | 37.1% | -17.9% | 2.3 | 10.00% | S/A | 29 Oct 2018 | 206 | //WD |
| UkrLandFarming, 2018 | 49.0 | 51.0 | 51.1% | 48.5% | 11.1% | 1.5 | 10.88% | S/A | 26 Mar 2018 | 500 | /CC/WD |
| Mriya, 2016 | 13.0 | 16.0 | n/a | n/a | 11.5% | 0.0 | 10.95% | S/A | 30 Mar 2016 | 72 | /SD/RD |
| Mriya, 2018 | n/a | n/a | n/a | n/a | n/a | 1.2 | 9.45% | S/A | 19 Apr 2018 | 400 | /SD/RD |
| DTEK, 2018 | 43.0 | 47.1 | 58.5% | 52.8% | -42.3% | 1.5 | 10.375% | S/A | 28 Mar 2018 | 160 | Ca//C |
| DTEK, 2018 | 43.0 | 46.0 | 53.8% | 49.7% | -2.2% | 1.6 | 7.88% | S/A | 4 Apr 2018 | 750 | Ca//C |
| Metinvest, 2016 | 54.1 | 59.8 | n/a | n/a | -27.9% | 0.0 | 10.25% | S/A | 31 Jan 2016 | 85 | Caa3//C |
| Metinvest, 2017 | 44.7 | 47.0 | 63.7% | 60.0% | -34.5% | 0.6 | 10.50% | S/A | 28 Nov 2017 | 290 | Caa3//C |
| Metinvest, 2018 | 43.0 | 48.0 | 58.2% | 51.0% | -18.0% | 1.5 | 8.75% | S/A | 14 Feb 2018 | 750 | Caa3//C |
| Ferrexpo, 2019 | 57.2 | 58.7 | 32.3% | 31.2% | -25.7% | 2.5 | 10.375% | S/A | 07 Apr 2019 | 186 | Caa3//C |
| Ferrexpo, 2019 | 43.0 | 48.0 | 58.2% | 51.0% | -41.7% | 1.5 | 10.375% | S/A | 07 Apr 2019 | 161 | Caa3//C |
| RailUA, 2018 | 87.2 | 89.0 | 16.0% | 15.1% | 66.1% | 2.0 | 9.50% | S/A | 21 May 2018 | 500 | /CC/C |
| Interepipe, 2017 | 30.0 | 35.0 | 127.1% | 108.4% | -40.9% | 0.9 | 10.25% | S/A | 2 Aug 2017 | 200 | // |
| JKX Oil&Gas, 2018 | 67.7 | 69.2 | 36.0% | 34.7% | 17.5% | 0.9 | 8.00% | S/A | 19 Feb 2018 | 40 | |
| Bank Eurobonds | | | | | | | | | | | |
| Fin&Credit Bank, 2019 | 8.8 | 11.6 | 145.2% | 121.6% | -87.7% | 1.3 | 9.25% | S/A | 25 Jan 2019 | 100 | // |
| PUMB, 2018 | 72.4 | 75.1 | 24.1% | 22.5% | 4.6% | 1.6 | 11.00% | Q | 31 Dec 2018 | 275 | WR//NR |
| Nadra Bank, 2018 | 5.7 | 10.8 | n/a | n/a | -34.1% | 0.0 | 6.25% | A | 31 Jul 2018 | 60 | // |
| PrivatBank, 2018-2 | 75.0 | 77.0 | 26.4% | 24.9% | 21.6% | n/a | 10.25% | S/A | 23 Jan 2018 | 200 | // |
| PrivatBank, 2021 | 62.8 | 65.3 | 24.0% | 22.8% | n/a | 3.3 | 11.00% | S/A | 09 Feb 2021 | 220 | // |
| PrivatBank, 2018 | 67.0 | 70.0 | 33.0% | 30.5% | 16.1% | 1.6 | 10.88% | S/A | 28 Feb 2018 | 175 | // |
| UkrEximBank, 2022 | 91.3 | 92.4 | 11.6% | 11.3% | 18.5% | 3.3 | 9.625% | S/A | 27 Apr 2022 | 750 | WR//C |
| UkrEximBank, 2023 | 74.0 | 76.6 | 13.5% | 12.8% | 50.6% | n/a | 7.51% | S/A | 9 Feb 2023 | 125 | Ca//C |
| UkrEximBank, 2025 | 88.9 | 90.2 | 11.8% | 11.5% | 49.3% | 4.2 | 9.75% | S/A | 22 Jun 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 | 90.5 | 91.7 | 11.3% | 11.1% | 40.2% | 3.1 | 8.25% | S/A | 10 Mar 2023 | 700 | Ca//CC |
| Oschadbank, 2025 | 89.2 | 90.2 | 11.6% | 11.3% | 57.4% | 4.0 | 8.88% | S/A | 20 Mar 2025 | 500 | Ca//CC |
| Municipal Eurobonds | | | | | | | | | | | |
| City of Kyiv, 2015 | 82.3 | 84.6 | n/a | n/a | n/a | n/a | 8.00% | S/A | 6 Nov 2015 | 250 | // |
| City of Kyiv, 2016 | 81.8 | 84.3 | n/a | n/a | 16.9% | n/a | 9.375% | S/A | 11 Jul 2016 | 300 | // |

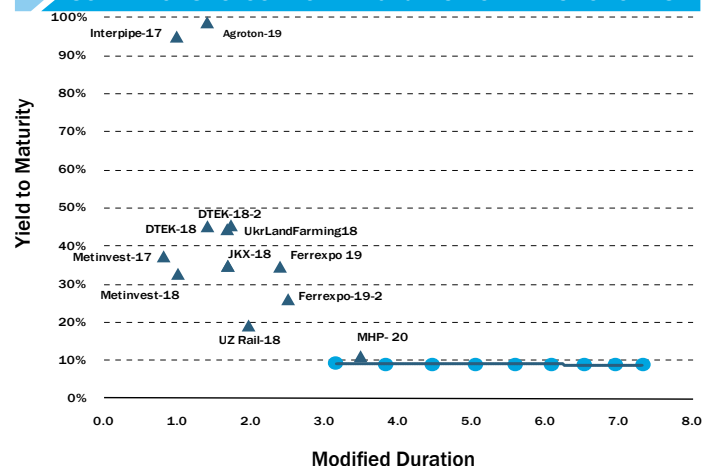
¹ Moody's/S&P/Fitch

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 | | | 21% | 19% | n/a | 14.30% | S/A | 24 May 2017 | n/a |
| VAT Bonds | | | | | | | | | |
| UA4000185151 | | | 21% | 19% | 1.9 | 9.50% | S/A | 8 Jul 2019 | 3,577 |
| UA4000185557 | | | 21% | 19% | 1.9 | 9.50% | S/A | 22 Jul 2019 | 2,171 |
| UA4000186159 | | | 21% | 19% | 1.9 | 9.50% | S/A | 20 Aug 2019 | 955 |

Source: Bloomberg, Cbonds, Eavex Research

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