

**Stock Market Update**

**Equity**

Kyiv-listed stocks were pushed down last week after a highly-publicized search conducted by the Ukrainian Security Service (SBU) at the offices of the country's largest securities brokerage firm. The surprise search was officially linked to Russian-made employee tracking software that the SBU said can be used for illegal spying purposes. The brokerage firm accused the SBU of acting at the behest of a top ally of President Poroshenko, Oleksandr Granovskiy, with whom the firm is engaged in a long-running dispute over the ownership of one of the country's largest shopping malls. The incident received wide public discussion in the media, with Prime Minister Volodymyr Groysman asking for a full explanation of the search.

Trading on the Ukrainian Exchange was highly volatile ahead of the May holiday period, which sees Ukrainians receive two days off for Labor Day and another for Victory Day. The holidays will limit market liquidity until the second half of the month. The UX index finished the last week of April with a loss of 0.4%, closing at 1022 points on Friday (Apr 28). UkrNafta (UNAF) continued to disappoint, falling below its historically significant support level of UAH 100 per share. The stock fell 3.9% to UAH 99. Shares of CentrEnerg (CEEN) fell to the UAH 10.00 level before bouncing back to UAH 10.65, boosted by an impressive and unexpectedly high net profit of UAH 2.30 per share for 1Q17. Raiffeisen Bank Aval (BAVL) slipped 0.5% to 25.60 kopecks, but remains in an overall upward trend.

In London, Ferrexpo (FXPO) recovered 7.9% after its recent slump, closing at GBp 158 per share. MHP's (MHPC) stock did not react to news that the company placed a new USD 500mn Eurobond with maturity in 2024 at just 7.75% - a full percentage point below the sovereign yield curve. The Donbass success story of Warsaw-listed Agroton (AGT) continued, with the issue gaining 5.5% to PLN 7.30 after the company posted net profit of USD 21.8mn for FY16, representing PLN 4.00 per share. Astarta (AST) picked up 7.1% to PLN 72.00 after reporting that its sugar sales volume jumped 2.2x YoY in 1Q17.

On the currency front, the hryvnia gained another 0.5% to 26.58 UAH/USD, with the seasonal end to natural gas imports probably playing a role in the strengthening of the Ukrainian currency.

**Highlights**

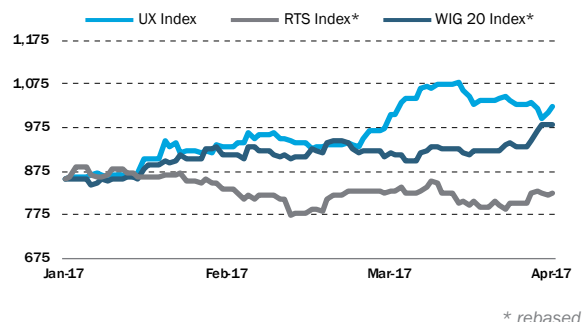
**POLITICS AND ECONOMICS**

- › Industrial Output Down 0.7% YoY in 1Q Amid Donbass Blockade

**STOCKS IN THE NEWS**

- › Raiffeisen Aval Approves 5.90-Kopeck Dividend for FY16
- › CentrEnerg Downgrades FY16 Dividend to 52 Kopecks from Expected 85
- › CentrEnerg Beats Expectations Posting UAH 850mn Profit in 1Q17

**STOCK MARKET PERFORMANCE**

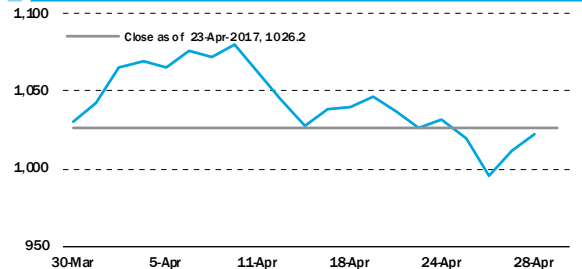


\* rebased

**MARKET INDEXES**

	Last	1W ch	1M ch	YTD
UX	1021.9	-0.4%	1.6%	28.4%
RTS	1114.4	2.8%	-1.0%	-3.3%
WIG20	2376.9	5.0%	6.8%	22.0%
MSCI EM	978.0	1.7%	0.8%	13.4%
S&P 500	2384.2	1.5%	1.1%	6.5%

**UX 1M PERFORMANCE**



**FIXED INCOME**

	Last	1W ch	1M ch	YTD
EMBI+Global	322	-3.3%	-0.8%	-12.0%
NBU Key Rate	13.0%	0.0 p.p.	-7.1 p.p.	-7.1 p.p.
Ukraine-19	6.6%	-2.2 p.p.	-2.2 p.p.	-0.7 p.p.
Ukraine-27	8.6%	-0.3 p.p.	-0.3 p.p.	-0.1 p.p.
MHP-20	6.6%	-0.6 p.p.	-1.2 p.p.	-2.9 p.p.
UZ Rail-21	9.6%	-0.8 p.p.	-1.4 p.p.	-2.1 p.p.

**CURRENCY**

	Last, UAH	1W ch	1M ch	YTD
USD	26.55	-0.6%	-2.1%	-2.8%
EUR	28.93	1.0%	-1.4%	2.2%
RUB	0.47	-1.3%	-1.9%	5.8%

**COMMODITIES**

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	178.5	-1.1%	-0.8%	3.2%
Steel, USD/t	445.0	-2.2%	-8.7%	-10.1%
Oil, USD/bbl	52.1	-0.7%	0.8%	-8.4%
Gold, USD/oz	1268.3	-1.2%	1.3%	10.1%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

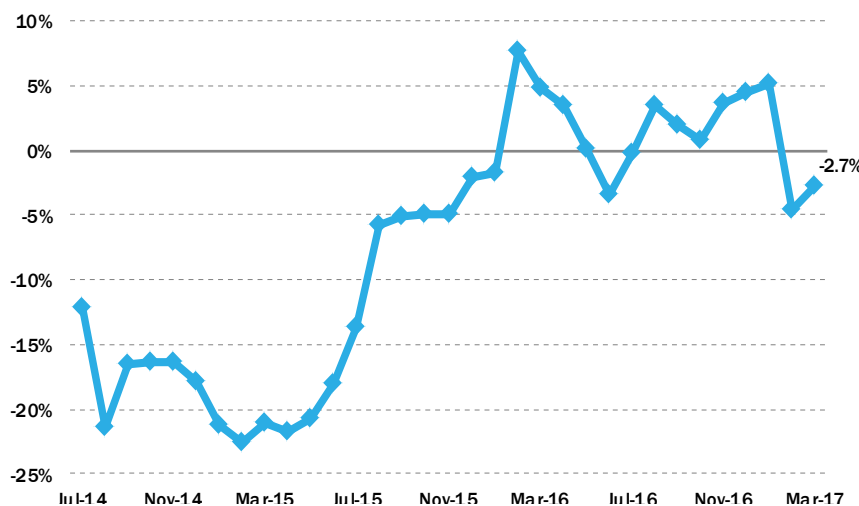
**Industrial Output Down 0.7% YoY in 1Q Amid Donbass Blockade**

by Dmitry Churin  
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**NEWS**

Industrial production in Ukraine declined by 0.7% YoY in 1Q17, with the March standalone figure coming in at a drop of 2.7% YoY, the State Statistics Committee (UkrStat) reported. In a sector breakdown, mineral extraction output decreased by 6.7% YoY in 1Q17, utility sector output declined by 3.0% YoY, and the manufacturing sector demonstrated growth of 3.0% YoY in the period.

**UKRAINE'S MONTHLY INDUSTRIAL PRODUCTION INDEX, YOY**



Source: State Statistics Committee

**COMMENTARY**

Ukraine's industrial data was hammered in both February and March as an initially unauthorized trade blockade of the occupied Donbass territories gained traction, leading to the year-on-year decline for 1Q. Previously, despite the political and military difficulties in the Donbass, there were production facilities, in particular coal mines and steel mills, which officially operated inside the Ukrainian economy, and their production statistics were included in UkrStat's data. In March, UkrStat said coal mines extracted 2.0mn tonnes of coal, down from last year's monthly average of 2.5mn tonnes, and the real losses to Ukraine in terms of coal supplies are probably even higher than reported. The state-run mines and private mines located on the government-controlled territories of the Donbass have already announced massive CapEx programs to intensify extraction, but we are skeptical that such announcements will be followed by quick results. Steel production dropped by 7.9% YoY to 5.6mn tonnes in 1Q17, mostly due to the loss of output from the Yenakievo plant on the occupied territory. We forecast that Ukraine's nationwide steel output will decrease by 15% YoY to 18mn tonnes in full-year 2017, with steel exports falling from 17.3mn tonnes in FY16 to 13mn tonnes this year. Meanwhile, the machinery sector improved by a notable 4.7% YoY in 1Q17, with the transportation subsector growing by 9.0% YoY.

In other macroeconomic statistics for 1Q17, retail sales in Ukraine rose 3.1% YoY, agro production decreased by 0.8% YoY, and the construction sector index showed spiky growth of 19.4% YoY in the period.

Our estimate is that the Ukrainian economy grew by 1.0% in 1Q17, or about half the rate expected prior to the Donbass blockade. UkrStat is slated to release the preliminary GDP data for 1Q17 on Jun 19.

## Raiffeisen Aval Approves 5.90-Kopeck Dividend for FY16

by Dmitry Churin  
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### RAIFFEISEN BANK AVAL (BAVL UK)

Price: UAH 0.2560 Market Cap: USD 615mn

	P/Assets	P/Book	P/E	Div. Yield
2016	0.29	1.6	4.1	22%
2017E	0.30	1.8	4.8	11%

### NEWS

Raiffeisen Bank Aval, the Ukrainian subsidiary of Vienna-based Raiffeisen International, will pay out UAH 3.63bn in dividends from its FY16 profit (5.90 kopecks per share), it was announced after the bank's annual shareholders meeting on Apr 25. The ex-rights date for the dividend was not announced. Raiffeisen Aval posted a net profit of UAH 3.82bn for full-year 2016 (USD 150mn at the average UAH/USD rate for the period), compared to a net loss of UAH 1.44bn in FY15. On the balance sheet side, the bank had total assets of UAH 56.0bn (USD 2.1bn) with the loan portfolio accounted for 50% of the assets and cash accounted for 18.4% as of 31 Dec 2016.

### COMMENTARY

Raiffeisen International owns a 68% of Aval's stock, so the large dividend could be a way for the parent group to take some cash out of the bank before its eventual sale, which has been rumored for several years now. The payout of 5.90 kopecks per share represents 95% of the 2016 profit and implies a dividend yield of 22%. The original announcement of the dividend, which was made in March, boosted the Kyiv-listed BAVL stock by 50% to as high as 26 kopecks, turning the issue into the biggest success story among domestic Ukrainian stocks in more than five years. Raiffeisen Aval is currently traded at 1.6x of its book value (Price-to-Book multiple) while its Price-to-Earnings multiple (P/E) is estimated at 4.1x.

We maintain a positive outlook regarding Raiffeisen Aval's medium-term future. We forecast that the bank will earn UAH 3.5bn in net profit in FY17, which would imply EPS of 5.70 kopecks. The bank continues to undergo a massive cost-cutting program with its staff having been reduced by 17% to 7,800 employees amid the closure of 80 branches across the country in 2016. Aval had a network of 496 branch outlets as of the start of this year.

**CentrEnergO Downgrades FY16 Dividend to 52 Kopecks from Expected 85**

by Dmitry Churin  
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**CENTRENERGO (CEEN UK)**

Price: UAH 10.65 Market Cap: USD 148mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016	0.5	0.2	9.8	1.5	4.9%
2017E	0.5	0.1	5.8	1.7	5.2%

**NEWS**

CentrEnergO, Ukraine's second-largest thermal electricity generation company, approved a dividend of 52 kopecks per share for FY16 at its annual meeting on Apr 25. In absolute figures, this represents a payout of UAH 193mn (USD 7.2mn), or half of the company's profit for last year. CentrEnergO also reported its full set of financial results for FY16. Net revenue rose 56% YoY in UAH terms to UAH 10.7bn while EBITDA jumped by 4.6x YoY to UAH 1.18bn (USD 46mn). The EBITDA margin widened sharply from 3.7% in FY15 to 11.1% in FY16, while the FY16 net margin was 3.6%. On the balance sheet side, CentrEnergO had no interest bearing debt as of 31 Dec 2016; cash and cash equivalents stood at UAH 528mn for the same date.

CENTRENERGO FY16 FINANCIALS			
UAH mn	2016	2015	chg.
Net revenue	10,696	6,864	+55.8%
EBITDA	1,184	257	+361.2%
margin	11.1%	3.7%	+7.3 p.p.
Net Income	387	70	+453%
net margin	3.6%	1.0%	+2.6 p.p.

Source: Company data.

**COMMENTARY**

We assume that the Ukrainian government had ordered CentrEnergO's management to pull out all the stops to show the highest possible profit in order to obtain a better valuation ahead of the company's long-promised privatization. However, the profit figure was lowered by 40% after an audit conducted by the Baker Tilly accounting firm. CentrEnergO's acting CEO Oleg Kozemko said the revision was made due to the need to form accounting reserves for unpaid receivables from state electricity intermediary EnergoRynok. Kozemko also confirmed that CentrEnergO has suspended operation at both of its main power plants, Tripilska (Kyiv province) and Zmyivska (Kharkiv province), amid the seasonal lull in energy consumption as it seeks new sources for anthracite coal supplies. In the meantime, the company has promised to adjust several power units at both plants to allow them to burn other grades of coal. There is now a long-term problem with Ukraine's anthracite coal supplies due to Kyiv's trade blockade of the Donbass separatist-occupied territories.

As for the dividend, there has been no announcement of an ex-rights date yet. The DPS of 52 kopecks, which represents a yield of 4.9%, was slashed from the preliminary figure of 85 kopecks due to the above-mentioned profit revision.

**CentrEnergO Beats Expectations  
Posting UAH 850mn Profit in 1Q17**

by Dmitry Churin  
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**CENTRENERGO (CEEN UK)**

Price: UAH 10.65 Market Cap: USD 148mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016	0.5	0.2	9.8	1.5	4.9%
2017E	0.5	0.1	5.8	1.7	5.2%

**NEWS**

CentrEnergO, Ukraine's second-largest thermal electricity generation company, reported a net profit of UAH 851mn (USD 31mn) in 1Q17, compared to its net profit of UAH 270mn in 1Q16, according to the company's financial statement released on Apr 27. The company's net revenue rose by 26% YoY in UAH terms to UAH 3.32bn despite an electricity output drop by 30% YoY to 1.7 TWh. The company reported EBITDA growth of 3.1x YoY to UAH 1.15bn in the period, with the EBITDA margin ballooning to 36.2% compared to 14.7% a year ago. On the balance sheet side, CentrEnergO's bank debt was at UAH 17mn as of Mar 31; cash and cash equivalents were UAH 1.23bn for the same date.

**CENTRENERGO 1Q17 FINANCIALS**

UAH mn	1Q17	1Q16	chg.
Net revenue	3,167	2,512	+26.1%
EBITDA	1,148	369	+211%
margin	36.2%	14.7%	+21.6 p.p.
Net Income	851	270	+215%
net margin	26.9%	10.7%	+16.1 p.p.

Source: Company data.

**COMMENTARY**

CentrEnergO's 1Q17 net profit of UAH 2.30 per share beat market expectations, and the CEEN stock advanced by 5.7% to UAH 10.70 after the report was published. Overall, Ukraine's electricity market is highly opaque, and it is impossible to state with certainty exactly why the company was able to perform so well. We assume that some accounting tricks were employed, since the company has definitely been hit by a recent substantial increase in coal prices after it lost access to coal from mines located on the occupied territories purchased at a bargain price of around USD 65 per tonne. We are cautious regarding CentrEnergO's short-term financial prospects, as the rising price for anthracite coal will squeeze thermal generation profitability. CentrEnergO said that it purchased 700,000 tonnes of imported anthracite coal at USD 97 per tonne for 2Q17. Meanwhile, the current state-regulated tariff for thermal electricity envisages a coal cost near UAH 1,800 (USD 68) per tonne, in line with previous Donbass price. Working in CentrEnergO's favor was a firm increase in the thermal electricity tariff, which rose from an equivalent of 5.1 cents/kWh in 4Q16 to 7.5 cents/kWh in 1Q17 (+47% QoQ). Although CentrEnergO demonstrated an outstanding profit in 1Q17, we are leaving unchanged our full-year forecast for the company's net profit at UAH 700mn (USD 26mn).

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
<b>Agriculture</b>						
Kernel	KER PW	70.0	80.0	14%	HOLD	With some 95% of its revenue linked to major foreign currencies, hryvnia devaluation is positive for Kernel, and recent changes in Ukraine's tax regime should also benefit the group. With on-demand borrowing access, Kernel is well placed to further consolidate its position in the oilseed crushing industry.
MHP	MHPC LI	10.2	14.0	37%	BUY	MHP could start process of deleveraging which in turn would boost the company's MCap. Also the company has a declared strategy to expand its presence on the MENA and EU markets. MHP continued to increase its export sales, which accounted for 51% of total revenue in 9M16 compared to 45% a year ago.
Astarta	AST PW	70.5	70.0	-1%	HOLD	The new VAT regime for agro producers will be largely neutral for Astarta, in our view, while recovery of sugar prices bode well for the company's earnings. Astarta is focused on business diversification and cost optimization via improving its energy and operational efficiency.
Agroton	AGT PW	7.55	12.0	59%	BUY	Agroton unveiled a strategy to increase its land bank from 122,000 ha to 200,000 ha by mid-2019 securing additional lease rights and by acquiring companies that control land plots in Luhansk and Kharkiv region.
IMC	IMC PW	10.4	13.0	25%	BUY	The recent changes in Ukraine's tax legislation are positive for IMC, which is focused growing exportable crops; some 95% of the company's revenue is tied to the dollar. Land bank is targeted to expand by 50% over 2015-20. A high standard of corporate governance makes the stock an attractive play in spite of its low liquidity.
AvangardCo	AVGR LI	1.0	0.3	-70%	SELL	Ukraine's new VAT regime for agro producers is negative for Avangard, as its subsidy reimbursements will be reduced. Large room for cost optimization provides a theoretical upside to earnings, but the company's highly volatile financial results have rendered forecasting unreliable.
Ovostar Union	OVO PW	94.5	110.0	16%	BUY	The company has a strong focus on domestic branded egg sales and successfully expands its export sales to mitigate negative effect from devaluation. Ovostar is in the midst of a long-term expansion that will ultimately see egg output triple over 2012-18E.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	153.2	150.0	-2%	HOLD	An impressive reduction in the production and other operating cost led to higher profitability. A separate positive factor was an upward price trend for iron ore and steel on global markets.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	2164	5250	143%	BUY	The reported profit for FY16 represents UAH 1052 per share, which means the stock is still valued at P/E of barely more than 2.0x. Our base case scenario forecast for Motor Sich's net profit for FY17 is UAH 2.0bn, implying EPS of UAH 960.
<b>Oil &amp; Gas</b>						
UkrNafta	UNAF	101	270	167%	BUY	UNAF stock has been in a local upward trend since December after Parliament cut the production tax for oil for 2017.
Concern Galnaftogaz	GLNG	0.15	0.24	60%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT LN	3.7	15.0	306%	BUY	Taking into account that Regal acquired PEP's assets for an estimated value of USD 6.8/boe of 2P reserves, we assume that Regal's potential enterprise value could be as much as USD 92mn.
JKX Oil & Gas	JKX LN	19.5	37.0	90%	HOLD	The company's balance sheet looks healthy after it successfully restructured its Eurobonds. An overall demand for natural gas in Ukraine remains strong.
<b>Power Utilities</b>						
DonbasEnerg	DOEN	12.0	9.0	-25%	SELL	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	10.66	15.00	41%	BUY	CenterEnerg's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
<b>Banks</b>						
Raiffeisen Bank Aval	BAVL	0.256	U/R	-	U/R	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 has purchased a 30% 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			
					1W	1M	3M	YtD	1W	1M	3M	YtD
UX Index	UX	1021.91	1087.67	608.11	-0.4%	1.6%	18.8%	28.4%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.008	n/a	n/a	-11.1%	-4.8%	-13.0%	-2.4%	-10.7%	-6.4%	-31.9%	-30.8%
<b>Coke</b>												
Yasynivsky Coking	YASK	0.150	0.270	0.100	-21.1%	15.4%	0.0%	-44.4%	-20.6%	13.7%	-18.8%	-72.9%
<b>Iron Ore Mining</b>												
Ferrexpo	FXPO	158.10	175.60	29.50	7.9%	-1.8%	10.4%	17.5%	3.2%	8.3%	-3.4%	-10.9%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	9.60	n/a	n/a	2.7%	12.9%	0.7%	9.1%	3.1%	11.3%	-18.1%	-19.3%
<b>Specialized Machinery</b>												
Motor Sich	MSICH	2164	2263	934	-1.1%	-2.7%	10.2%	16.5%	-0.6%	-4.4%	-8.6%	-11.9%
Turboatom	TATM	12.35	n/a	n/a	2.9%	2.9%	19.0%	32.1%	3.3%	1.3%	0.1%	3.7%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.130	n/a	n/a	0.0%	8.3%	-10.3%	-21.2%	0.4%	6.7%	-29.2%	-49.6%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	3.78	5.50	1.75	-6.8%	-15.6%	-16.5%	1.2%	0.8%	-6.4%	-17.3%	-27.2%
JKX Oil	JKX	19.50	33.50	16.00	0.0%	-3.7%	-32.8%	-35.5%	-1.0%	0.4%	-5.3%	-63.9%
Ukrnafta	UNAF	101.0	n/a	n/a	-2.2%	-21.2%	-9.8%	-2.1%	-1.8%	-22.8%	-28.7%	-30.5%
<b>Power Utilities</b>												
Centrenergy	CEEN	10.66	11.58	5.95	0.1%	0.4%	-4.7%	3.0%	0.6%	-1.2%	-23.6%	-25.4%
Donbasenergy	DOEN	11.95	16.47	9.50	0.6%	2.3%	-2.4%	13.7%	1.0%	0.7%	-21.3%	-14.7%
Zakhidenergy	ZAEN	73.00	n/a	n/a	0.0%	12.3%	10.3%	16.8%	0.4%	10.7%	-8.6%	-11.6%
<b>Consumer</b>												
Agroton	AGT	7.30	7.70	1.08	5.5%	17.0%	14.2%	80.2%	-1.0%	5.9%	15.3%	51.8%
Astarta	AST	72.00	72.00	40.00	7.1%	7.0%	14.5%	33.2%	0.7%	7.6%	5.3%	4.8%
Avangardo	AVGR	1.00	1.00	0.26	13.6%	42.9%	170.3%	185.7%	-1.0%	14.1%	41.2%	157.3%
Industrial Milk Company	IMC	10.38	10.38	6.50	3.0%	9.5%	11.7%	28.9%	0.2%	3.4%	7.9%	0.5%
Kernel	KER	69.00	80.00	48.20	2.5%	-3.8%	-13.7%	8.1%	-3.9%	3.0%	-5.4%	-20.3%
MHPC	MHPC	10.30	10.50	8.52	1.0%	5.6%	15.7%	17.2%	-1.0%	1.4%	4.0%	-11.2%
Milkiland	MLK	2.17	2.80	1.56	-1.4%	-9.2%	-22.5%	8.5%	2.3%	-0.9%	-10.8%	-19.9%
Ovostar Union	OVO	94.45	98.50	84.00	0.0%	1.6%	6.1%	9.2%	-1.1%	0.4%	-0.1%	-19.2%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.256	0.269	0.073	-0.5%	19.1%	80.2%	94.1%	-0.1%	17.4%	61.3%	65.7%

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		
		2015	2016E	2017E	2015	2016E	2017E	2015	2016E	2017E	2015	2016E	2017E	2015	2016E	2017E
<b>Iron Ore Mining</b>																
Ferrexpo	FXPO	961	986	1,282	313	375	495	32.6%	38.0%	38.6%	31	189	255	3.3%	19.2%	19.9%
<b>Railcar Manufacturing</b>																
Kryukiv Wagon	KVBZ	41	67	55	-15	1	6	-37.1%	0.9%	11.0%	-19	-4	2	-46.3%	-5.9%	3.3%
<b>Specialized Machinery</b>																
Turboatom	TATM	128	98	99	87	33	35	67.9%	34.0%	35.2%	75	27	28	58.3%	28.0%	27.8%
Motor Sich	MSICH	697	655	676	237	180	151	33.9%	27.5%	22.3%	158	86	74	22.6%	13.1%	10.9%
<b>Oil &amp; Gas</b>																
Ukrnafta	UNAF	1,319	885	1,162	-101	116	151	-7.7%	13.1%	13.0%	-250	-343	74	-18.9%	-38.7%	6.3%
Regal Petroleum	RPT	22	25	27	10	10	15	45.5%	40.4%	55.6%	-1	0	1	na	0.0%	3.7%
JKX Oil	JKX	89	80	95	17	29	34	19.1%	36.3%	35.8%	-82	-20	3	-92.1%	-25.0%	3.2%
<b>Electric Utilities</b>																
Centrenergy	CEEN	315	419	492	12	46	40	3.7%	11.1%	8.1%	3	15	26	1.0%	3.6%	5.2%
Donbasenergo	DOEN	190	157	147	8	7	5	4.3%	4.4%	3.3%	-9	-2	1	-4.6%	-1.1%	1.0%
<b>Consumer</b>																
MHP	MHPC	1,183	1,135	1,400	459	415	490	38.8%	36.6%	35.0%	-126	59	170	-10.6%	5.2%	12.1%
Kernel	KER	2,330	1,989	2,128	397	346	381	17.0%	17.4%	17.9%	101	225	282	4.3%	11.3%	13.2%
Astarta	AST	349	402	445	144	167	170	41.4%	41.6%	38.1%	18	90	113	5.1%	22.4%	25.3%
Avangardco	AVGR	230	191	180	-69	1	22	-30.2%	0.4%	12.2%	-158	-57	2	-68.9%	-29.6%	1.1%
Ovostar	OVO	76	84	90	35	40	43	46.0%	47.7%	48.2%	32	35	37	42.3%	41.8%	41.1%
<b>Banks</b>																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	1,958	2,113	2,080	261	381	347	216	204	228	-66	150	228	-25.3%	39.4%	65.7%

Source: Eavex Research



**MAIN TRADING MULTIPLES**

Name	Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			
					2015	2016E	2017E	2015	2016E	2017E	2015	2016E	2017E	
<b>Iron Ore Mining</b>														
Ferrexpo	FXPO	1,202	24.0%	289	1,952	>30	6.4	4.7	6.2	5.2	3.9	2.0	2.0	1.5
<b>Railcar Manufacturing</b>														
Krukiv Wagon	KVBZ	41	5.0%	2	36	neg	neg	22.4	neg	>30	5.9	0.9	0.5	0.7
<b>Specialized Machinery</b>														
Turboatom	TATM	55	5.8%	3	-31	0.7	2.0	2.0	-0.4	-0.9	-0.9	-0.2	-0.3	-0.3
Motor Sich	MSICH	168	24.0%	40	122	1.1	2.0	2.3	0.5	0.7	0.8	0.2	0.2	0.2
<b>Oil &amp; Gas</b>														
Ukrnafta	UNAF	205	3.0%	6	195	neg	neg	2.8	neg	1.7	1.3	0.1	0.2	0.2
Regal Petroleum	RPT	16	21.6%	3	-4	neg	n/a	15.7	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	43	50.4%	22	152	neg	neg	14.4	9.0	5.2	4.5	1.7	1.9	1.6
<b>Electric Utilities</b>														
CentrEnergO	CEEN	147	21.7%	32	69	>30	9.7	5.7	5.9	1.5	1.7	0.2	0.2	0.1
DonbasEnergO	DOEN	11	14.2%	2	24	neg	neg	7.2	3.0	3.5	5.0	0.1	0.2	0.2
<b>Consumer</b>														
MHP	MHPC	1,088	34.1%	371	2,248	neg	18.4	6.4	4.9	5.4	4.6	1.9	2.0	1.6
Kernel	KER	1,430	61.8%	883	1,756	14.2	6.3	5.1	4.4	5.1	4.6	0.8	0.9	0.8
Astarta	AST	468	37.0%	173	615	26.4	5.2	4.2	4.3	3.7	3.6	1.8	1.5	1.4
Avangardco	AVGR	64	22.5%	14	395	neg	neg	>30	neg	>30	18.0	1.7	2.1	2.2
Ovostar	OVO	147	25.0%	37	152	4.6	4.2	4.0	4.4	3.8	3.5	2.0	1.8	1.7
<b>Banks</b>														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	590	1.8%	11		neg	3.9	4.6	2.3	1.5	1.7	0.30	0.28	0.28

Source: Eavex Research

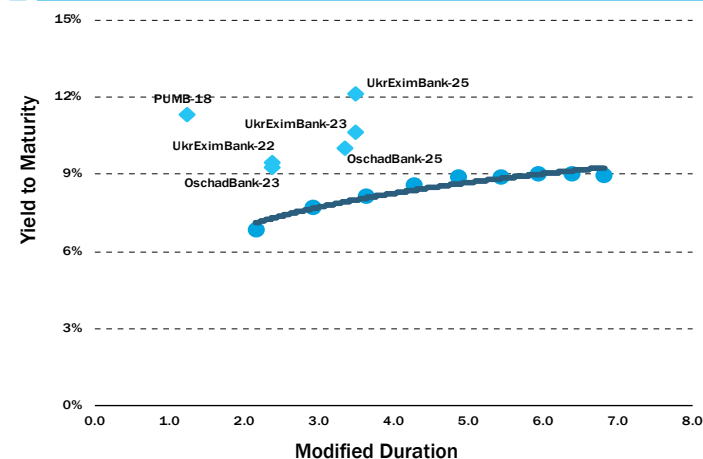
## UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume USD mn	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2019	102.3	102.6	6.5%	6.3%	1.4%	2.1	7.75%	S/A	1 Sept 2019	1,744	Caa3/B-/B-
Ukraine, 2020	101.1	101.5	7.4%	7.2%	2.1%	2.9	7.75%	S/A	1 Sept 2020	1,780	Caa3/B-/B-
Ukraine, 2021	99.4	99.9	7.9%	7.8%	1.7%	3.6	7.75%	S/A	1 Sept 2021	1,409	Caa3/B-/B-
Ukraine, 2022	97.4	98.0	8.4%	8.2%	0.7%	4.2	7.75%	S/A	1 Sept 2022	1,384	Caa3/B-/B-
Ukraine, 2023	95.9	96.5	8.6%	8.5%	0.3%	4.8	7.75%	S/A	1 Sept 2023	1,355	Caa3/B-/B-
Ukraine, 2024	95.0	95.6	8.7%	8.6%	0.3%	5.4	7.75%	S/A	1 Sept 2024	1,339	Caa3/B-/B-
Ukraine, 2025	94.9	95.5	8.6%	8.5%	1.3%	5.9	7.75%	S/A	1 Sept 2025	1,329	Caa3/B-/B-
Ukraine, 2026	94.0	94.6	8.7%	8.6%	0.6%	6.4	7.75%	S/A	1 Sept 2026	1,318	Caa3/B-/B-
Ukraine, 2027	93.8	94.4	8.4%	8.4%	0.6%	6.8	7.75%	S/A	1 Sept 2027	1,307	Caa3/B-/B-
Ukraine, GDP-linked (VRI)	35.0	35.8	n/a	n/a	16.0%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
<b>Corporate Eurobonds</b>											
Agroton, 2019	13.6	25.9	151%	92%	-1.3%	1.3	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	106.0	106.8	7.2%	7.0%	6.4%	3.8	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	103.8	104.7	6.8%	6.4%	8.0%	2.5	8.25%	S/A	2 Apr 2020	750	/B-/B-
MHP, 2024	101.2	101.7	7.5%	7.4%	1.4%	5.3	7.75%	S/A	10 May 2024	500	//
Avangardco, 2018	28.0	28.2	127%	126%	-4.9%	0.8	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	22.0	28.1	312%	243%	-18.4%	0.4	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	6.5	8.5	n/a	n/a	n/a	n/a	10.95%	S/A	30 Mar 2016	72	IN DEFAULT
Mriya, 2018	6.5	8.5	n/a	n/a	n/a	n/a	9.45%	S/A	19 Apr 2018	400	IN DEFAULT
DTEK, 2024	90.0	91.0	12.9%	12.7%	1.1%	5.5	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2021	91.0	94.0	12.9%	12.1%	-0.5%	3.8	9.37%	S/A	31 Dec 2021	1,197	//B
Ferrexpo, 2019	104.4	105.3	7.9%	7.4%	4.1%	1.3	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	104.2	105.3	8.0%	7.4%	3.6%	1.3	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	100.2	101.1	9.8%	9.6%	5.5%	2.3	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	23.0	28.0	n/a	n/a	-7.3%	0.1	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JKX Oil&Gas, 2018	84.6	86.6	21.6%	20.5%	0.4%	2.1	8.00%	S/A	19 Feb 2018	16	//
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2019	0.5	1.9	n/a	n/a	18.4%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	99.1	101.0	11.6%	10.3%	-1.4%	1.2	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.3	1.6	n/a	n/a	-0.7%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	17.0	20.5	n/a	n/a	10.3%	1.5	10.25%	S/A	23 Jan 2018	200	IN DEFAULT
PrivatBank, 2021	9.0	14.0	n/a	n/a	-11.5%	1.6	11.00%	S/A	09 Feb 2021	220	IN DEFAULT
PrivatBank, 2018	22.3	24.5	n/a	n/a	75.6%	0.3	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	101.8	102.6	9.2%	9.0%	4.3%	2.4	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	92.3	94.6	10.2%	9.7%	13.2%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	99.9	100.8	12.3%	12.0%	5.6%	3.5	9.75%	S/A	22 Jan 2025	600	Caa3//B-
VAB Bank, 2019	n/a	n/a	n/a	n/a	n/a	n/a	9.00%	Q	14 Jun 2019	88	IN DEFAULT
Oschadbank, 2023	101.9	102.7	8.9%	8.8%	4.9%	2.3	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	99.9	100.8	9.5%	9.3%	6.1%	3.3	8.88%	S/A	20 Mar 2025	500	Caa3//B-
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	64.9	72.6	n/a	n/a	-10.4%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

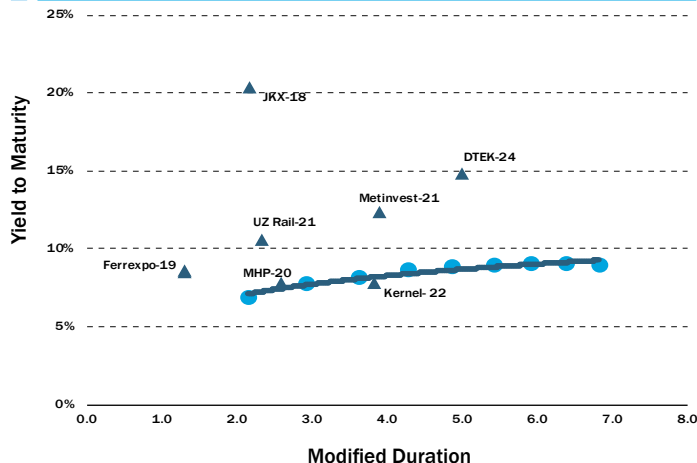
<sup>1</sup> Moody's/S&P/Fitch

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 UAH mn
<b>UAH denominated Bonds</b>									
UA4000160758			15.25%	14.50%	n/a	14.30%	S/A	14 Mar 2018	1,000
<b>VAT Bonds</b>									
UA4000185151			15.30%	14.90%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			15.30%	14.90%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			15.30%	14.90%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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