

Stock Market Update

Equity

Kyiv-listed stocks were on the rise last week as the previous week's political protests mostly dissipated and the National Bank upgraded its forecast for the country's economic recovery. The NBU said it now expects GDP growth for 2017 to come in at 2.2% YoY, a notable increase from the previous 1.6% projection. The NBU left its forecast for 2018 GDP growth at 3.2%. The Ukrainian economy grew by 2.3% in 2016 and nominal GDP was UAH 2.38tn (USD 93bn).

The UX index added 1.7% to close at 1255 points. Motor Sich (MSICH) gained 3.6%, climbing above the UAH 3000 level and finishing at UAH 3036 after the company reported third-quarter earnings which fell in line with expectations. CentrErgo (CEEN) picked up 0.4% to UAH 11.20, also after 3Q17 results which confirmed the company's solid fundamentals. UkrNafta (UNAF) was little-changed at UAH 143 per share ahead of the 3Q earnings report due out this week. Raiffeisen Bank Aval (BAVL), which is also due to release its results, advanced by 2.3% to 29.10 kopecks.

London-listed iron ore exporter Ferrexpo (FXPO) continued its recent local down-trend, dropping 6.0% to GBP 256 per share, while poultry giant MHP (MHPC) rose 3.1% to USD 11.65 after the company announced a plan to acquire a third production facility in Europe.

On the Warsaw Stock Exchange, top liquid name Kernel (KER) finally reversed its five-month losing streak, rebounding by 6.5% to PLN 51.47 after reports that the company's management has pounced on the low stock price to buy up shares. Low-liquidity troubled issue Milkiland (MLK) was unchanged at PLN 1.50 after the company managed to restructure its debt to one of its Ukrainian lenders. Once a promising agro issue, Milkiland has lost 90% of its value from 5 years ago.

The hryvnia came back under devaluation pressure amid the understanding that Ukraine's IMF program is on hold indefinitely due to the government's policy of freezing energy tariffs. The currency lost 1.2% against the dollar to close at 26.87 UAH/USD. The NBU said it was selling hard currencies from its reserves.

Highlights

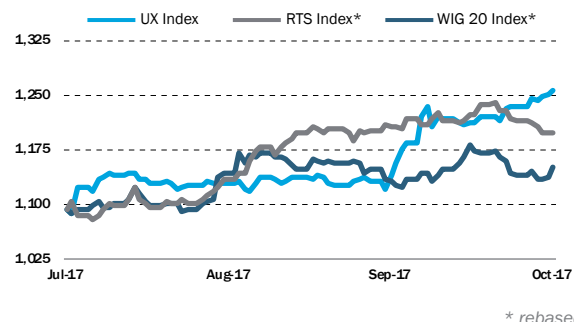
POLITICS AND ECONOMICS

- Industrial Output Slips 0.3% YoY in September Amid Electricity Contraction

STOCKS IN THE NEWS

- Kernel Targets to Achieve EBITDA of USD 500mn by 2021
- CentrErgo Posts Modest 3Q Profit of 20 Kopecks per Share
- Motor Sich's 3Q Profit Down 52% YoY But Still Up 37% for 9M17

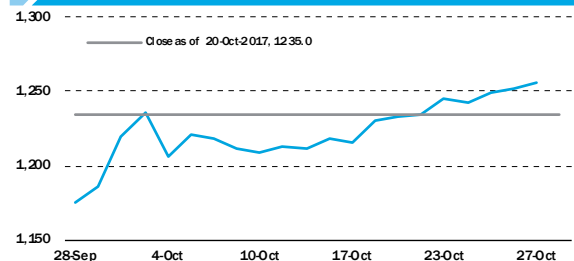
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1W ch	1M ch	YTD
UX	1255.8	1.7%	10.1%	57.8%
RTS	1118.6	-1.4%	-0.8%	-2.9%
WIG20	2488.5	0.9%	1.8%	27.8%
MSCI EM	1110.2	-0.8%	2.8%	28.8%
S&P 500	2581.1	0.2%	3.4%	15.3%

UX 1M PERFORMANCE



FIXED INCOME

	Last	1W ch	1M ch	YTD
EMBI+Global	306	0.6%	-2.9%	-16.4%
NBU Key Rate	13.5%	1.0 p.p.	1.0 p.p.	-0.5 p.p.
Ukraine-19	4.8%	-1.6 p.p.	-1.8 p.p.	-2.5 p.p.
Ukraine-27	7.4%	0.2 p.p.	0.1 p.p.	-1.3 p.p.
MHP-20	4.6%	0.1 p.p.	0.0 p.p.	-4.9 p.p.
UZ Rail-21	6.5%	0.1 p.p.	-0.5 p.p.	-5.2 p.p.

CURRENCY

	Last, UAH	1W ch	1M ch	YTD
USD	26.87	1.2%	1.9%	-1.6%
EUR	31.12	-0.5%	0.4%	10.0%
RUB	0.46	0.1%	1.2%	4.8%

COMMODITIES

	Last	1W ch	1M ch	YTD
Wheat, USD/t*	181.5	0.0%	3.1%	4.9%
Steel, USD/t	552.5	-0.9%	-6.8%	11.6%
Oil, USD/bbl	60.4	4.7%	4.4%	6.4%
Gold, USD/oz	1273.9	-0.5%	-1.6%	10.6%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

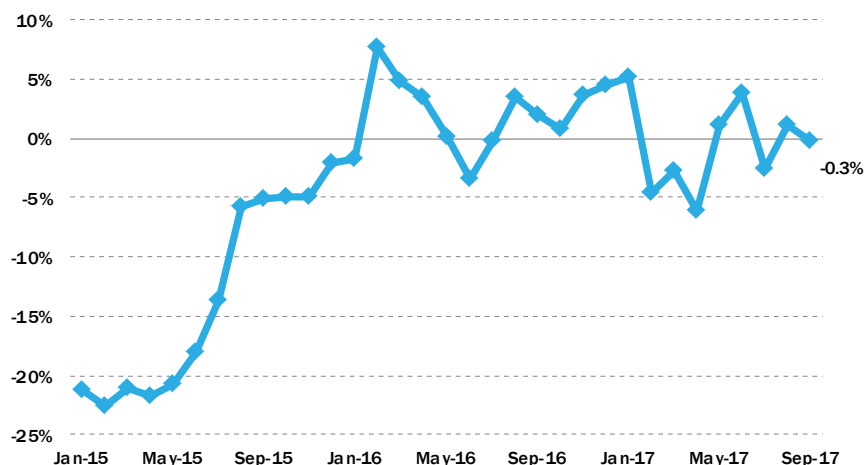
Industrial Output Slips 0.3% YoY in September Amid Electricity Contraction

by Dmitry Churin
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NEWS

Ukraine's official industrial production index declined by 0.3% YoY in September after 1.2% YoY growth reported for August, according to data from the State Statistics Committee released on Oct 23. The index was nonetheless up by 2.5% on a month-on-month basis for September. For January-September 2017, industrial production has posted a 0.3% YoY drop.

UKRAINE'S MONTHLY INDUSTRIAL PRODUCTION INDEX, YOY



Source: State Statistics Committee

COMMENTARY

UkrStat said that the main contributor to the negative performance of the industrial index was lower electricity production in September (-5.2% YoY). Meanwhile, the more important manufacturing sector showed growth of 1.2% YoY in the period. The rather volatile chemicals category was the best performer for the month with a 33.4% YoY increase in output. The steel sector category posted 2.2% YoY growth while the machinery sector declined by 0.3% YoY in the period.

In other macroeconomic data, UkrStat reported that its construction index rose 10.2% YoY during September, with growth at an impressive 23.8% YoY for 9M17, mainly due to broad infrastructure maintenance in the country this year.

Kernel Targets to Achieve EBITDA of USD 500mn by 2021

by Dmitry Churin
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KERNEL (KER PW)

Price: PLN 51.47 Market Cap: USD 1,124mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
FY17	1.1	0.7	6.4	5.1	1.8%
FY18E	0.9	0.6	5.1	4.7	1.8%

NEWS

Kyiv-based, Warsaw-listed Kernel Holding, Ukraine's largest sunflower oil producer, posted a net loss of USD 16mn in the 4Q17 Apr-Jun quarter (the company's financial year runs from July to June). According to the company's consolidated financial statement published on Oct 23, net revenue rose by 33% YoY to USD 511mn in the period while EBITDA fell 20% YoY to USD 36mn. For FY17, Kernel had revenue of USD 2.17bn (+9.1% YoY), EBITDA of USD 319mn (-8.1% YoY), and net profit of USD 176mn (-21% YoY).

KERNEL FINANCIAL RESULTS

USD mn	4Q FY17	4Q FY16	YoY	FY17	FY16	YoY
Net revenue	511	383	+33.4%	2,169	1,989	+9.1%
EBITDA	36	46	-20.5%	319	346	-7.9%
EBITDA margin	7.1%	11.9%	-4.8 p.p.	14.7%	17.4%	-2.7 p.p.
depreciation	13	15	-11.5%	54	60	-9.8%
EBIT	23	31	-24.8%	265	287	-7.7%
Net Income	-16	-7	+/-	176	225	-21.8%
Net margin	-3.2%	-1.9%	-1.3 p.p.	8.1%	11.3%	-3.2 p.p.

Source: Company data,

On the balance sheet side, Kernel's net debt amounted to USD 496mn as of December 2017, implying a Net Debt/EBITDA ratio of 1.6x compared to 0.8x a year earlier.

COMMENTARY

In our view, Kernel's 4Q17 financial results were weak. The company failed to meet our FY17 forecast of USD 380mn in EBITDA and USD 282mn in net profit. Moreover, a week ago we had suspected that the sharp drop in Kernel's stock since the start of October was triggered by expectations that the company would report weak earnings. On a positive side, Kernel has announced strategy to achieve EBITDA of USD 500mn by 2021. Taking into account that the company expanded its land bank to 600,000 ha and storage capacities to 2.8mn tonnes, the business has enough scale to reach the goal. The sunflower oil business alone contributed EBITDA of USD 100mn in FY17, which was 23% less than a year ago. In the new quarter of Jul-Sept (1Q18) Kernel boosted sunflower oil sales in bulk by 2.3x YoY to 392,800 tonnes. However, the increase was due to accumulated carry over-stock rather than larger sunflower oil production.

In other developments, Kernel entered into pre-export credit facility with a syndicate of European banks in October. The three-year secured revolving facility with a limit of USD 200mn will be used to fund the working capital needs of its sunflower oil production business.

Kernel stock has been in a downward trend since March when the quotes topped PLN 80 per share. The stock recovered some value last week gaining 6.5% to PLN 51.5 per share.

CentrEnergO Posts Modest 3Q Profit of 20 Kopecks per Share

by Dmitry Churin
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CENTRENERGO (CEEN UK)

Price: UAH 11.20 Market Cap: USD 154mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016	0.5	0.2	10.1	1.6	3.0%
2017E	0.5	0.1	3.0	1.1	10.0%

NEWS

CentrEnergO, Ukraine's second largest thermal electricity generation company by installed capacity, posted a net profit of UAH 75mn for 3Q17, implying an EPS of 20 kopecks compared to 91 kopecks in 3Q16, according to financials published on Oct 26. On the top line, the company's net revenue declined by 15.6% YoY to UAH 2.11bn, and EBITDA dropped by 56% YoY to UAH 197mn. For 9M17, CentrEnergO's net profit remains up by 105% YoY at UAH 5.67 per share on only a moderate 6.8% YoY increase in net revenue to UAH 8.14bn in the period. On the balance sheet side, the company had a large net cash position of UAH 2.17bn as of 30 Sept 2017. CentrEnergO's electricity output fell by 44% YoY to 3.9 TWh in 9M17 as a result of the shortage of anthracite coal in the country.

CENTRENERGO'S FINANCIAL RESULTS

UAH mn	3Q17	3Q16	2Q17	QoQ	YoY	9M17	9M16	YoY
Net revenue	2,105	2,493	2,867	-26.6%	-15.6%	8,139	7,619	+6.8%
EBITDA	197	445	1,529	-87.1%	-55.7%	2,874	915	+214.2%
EBITDA margin	9.4%	17.9%	53.3%	-44.0 p.p.	-8.5%	35.3%	12.0%	+23.3 p.p.
Net Income	75	335	1,168	-93.6%	-77.6%	2,094	1,022	+105.0%
Net margin	3.6%	13.4%	40.7%	-37.2 p.p.	-9.9%	25.7%	13.4%	+12.3 p.p.

Source: Company data.

COMMENTARY

CentrEnergO's financials have clearly benefited this year from the phasing out of universal electricity subsidies, as evidenced by the strong gain on the company's bottom line despite the massive 44% slump in electricity output. We think Ukraine's government is going out of its way to build up CentrEnergO's financials in order to make it appear attractive to potential foreign buyers in 2018. The bottom line for 3Q was more or less in line with expectations, as an ongoing anthracite coal shortage forced the company to keep production at a minimum during this year's Jul-Aug-Sept low season. CentrEnergO historically posts a substantial loss in the fourth quarter of every year, and we therefore project that the company will end FY17 with net profit of UAH 1.4bn. This corresponds to EPS of UAH 3.79, down from EPS of UAH 5.67 as of the 9M17 results.

CentrEnergO's stock reacted positively to the earnings release, advancing by 3.0% to UAH 11.30. The CEEN stock still looks very cheap considering that the implied EV/EBITDA multiple is just 1.1x due to the company's large net cash position, which is equivalent to around USD 80mn.

Motor Sich's 3Q Profit Down 52% YoY But Still Up 37% for 9M17

by Dmitry Churin
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MOTOR SICH (MSICH UK)

Price: UAH 3,036 Market Cap: USD 235mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2016	0.4	0.5	3.0	1.2	0.9%
2017E	0.3	0.5	2.1	1.3	1.0%

NEWS

Zaporizhia-based, Kyiv-listed Motor Sich, Ukraine's only aircraft engine producer, reported a net profit of UAH 287mn (USD 11mn) for 3Q17, compared to its profit of UAH 600mn in 3Q16, according to the company's financials released on Oct 26. Revenue in the quarter declined by 7.5% YoY to UAH 2.3bn and EBITDA fell 47% YoY to UAH 750mn. For 9M17, the company's net profit was UAH 2.57bn, a rise of 37% YoY. On the balance sheet side, Motor Sich reported total debt of UAH 1.13bn and available cash of UAH 2.17bn as of 30 Sept 2017.

MOTOR SICH FINANCIAL RESULTS

UAH mn	3Q17	3Q16	2Q17	QoQ	YoY	9M17	9M16	YOY
Net revenue	2,289	2,473	3,389	-32.5%	-7.5%	9,108	7,536	+20.9%
EBITDA	750	1,402	1,248	-39.9%	-46.5%	3,728	3,128	+19.2%
EBITDA margin	32.8%	56.7%	36.8%	-4.0 p.p.	-23.9 p.p.	40.9%	41.5%	-0.6 p.p.
Net Income	287	600	831	-65.4%	-52.1%	2,576	1,884	+36.7%
Net margin	12.6%	24.3%	24.5%	-12.0 p.p.	11.7 p.p.	28.3%	25.0%	+3.3 p.p.

Source: Company data,

COMMENTARY

Motor Sich's weak bottom line for 3Q is not really surprising, as the company's order deliveries are unpredictably and unevenly distributed over the year. After a strong second quarter, when net profit was UAH 400 per share, we expected a less impressive result for 3Q (the reported figure corresponds to UAH 138 per share). The company is still on track to handsomely increase its yearly profit, with the 9M17 EPS at UAH 1240, up from UAH 906 in 9M16.

Although there is no reliable information on Motor Sich's order portfolio for 2018-2020, we remain bullish on the MSICH stock, which currently trades at P/E of just 2.1x.

MSICH quotes broke through the key UAH 3000 resistance ceiling after the 3Q earnings release, and ended the week at UAH 3036 per share. We have a BUY recommendation for the MSICH stock with a target price of UAH 5250.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, per share	Target price, per share	Upside, %	Rating	Commentary
Agriculture						
Kernel	KER PW	51.7	82.0	59%	BUY	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	11.7	14.0	20%	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	49.5	70.0	41%	BUY	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	4.22	12.0	184%	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	11.9	13.0	10%	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	0.5	0.3	-33%	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	109.2	110.0	1%	HOLD	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.
Iron Ore						
Ferrexpo	FXPO LN	246.9	--	--	U/R	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.
Specialized Machinery						
Motor Sich	MSICH	3036	5250	73%	BUY	The reported profit for 1H17 represents UAH 1101 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 3.0bn, implying EPS of UAH 1440.
Oil & Gas						
UkrNafta	UNAF	144	270	88%	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	6.9	15.0	118%	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	15.0	--	--	U/R	The company's balance sheet looks healthy after it successfully restructured its Eurobonds. An overall demand for natural gas in Ukraine remains strong.
Power Utilities						
DonbasEnerg	DOEN	17.8	9.0	-50%	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	11.21	15.00	34%	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	0.291	0.27	-7%	HOLD	Raiffeisen Aval's 1H17 net profit was at a record high UAH 2.7bn (USD 100mn), implying earnings per share of 4.45 kopecks. We forecast that the bank will post a net profit of UAH 4.50bn in FY17 and will pay a 7.30 kopeck dividend next year.

Source: Eavex Research

PRICES AND QUOTES												
Name	Ticker	Today, UAH*	52 high, UAH*	52 low, UAH*	1W	Absolute performance			Performance relative to the UX index			
						1M	3M	YtD	1W	1M	3M	YtD
UX Index	UX	1255.80	1261.97	706.27	1.7%	10.1%	11.9%	57.8%	0.0%	0.0%	0.0%	0.0%
Iron Ore Mining												
Ferrexpo	FXPO	256.40	323.20	99.25	-6.0%	-6.6%	10.4%	90.6%	-5.1%	-7.7%	-16.7%	32.8%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	9.25	n/a	n/a	-4.6%	8.8%	2.4%	5.1%	-6.3%	-1.3%	-9.5%	-52.7%
Specialized Machinery												
Motor Sich	MSICH	3036	3069	934	3.2%	9.3%	22.5%	63.4%	1.5%	-0.8%	10.6%	5.6%
Turboatom	TATM	12.00	12.99	8.59	1.4%	11.0%	9.8%	28.3%	-0.2%	0.9%	-2.1%	-29.5%
Telecom												
Ukrtelecom	UTLM	0.130	n/a	n/a	0.0%	-3.6%	0.0%	-21.1%	-1.7%	-13.7%	-11.9%	-78.9%
Oil & Gas												
Regal Petroleum	RPT	6.88	7.38	2.75	18.0%	56.3%	89.7%	84.1%	-0.3%	16.3%	46.1%	26.3%
JKX Oil	JKX	12.75	33.50	12.25	0.0%	-1.9%	-25.0%	-57.9%	-0.3%	-1.7%	-12.0%	-115.6%
Ukrnafta	UNAF	143.7	n/a	n/a	0.2%	15.9%	12.7%	39.2%	-1.5%	5.8%	0.8%	-18.6%
Power Utilities												
Centrenerg	CEEN	11.21	12.00	9.70	0.4%	6.3%	-2.5%	8.3%	-1.3%	-3.9%	-14.5%	-49.5%
Donbasenerg	DOEN	17.83	n/a	n/a	1.8%	23.1%	23.0%	69.6%	0.1%	12.9%	11.0%	11.9%
Zakhidenerg	ZAEN	132.00	164.00	55.00	0.8%	-5.7%	13.8%	111.2%	-0.8%	-15.8%	1.9%	53.4%
Consumer												
Agroton	AGT	4.14	7.70	2.67	2.2%	-11.9%	-35.9%	2.2%	-0.8%	0.5%	-22.0%	-55.6%
Astarta	AST	49.50	72.00	49.06	-4.0%	-4.8%	-28.3%	-8.4%	-0.3%	-5.7%	-14.9%	-66.2%
Avangardo	AVGR	0.45	1.00	0.35	0.0%	-23.7%	-25.0%	28.6%	-0.3%	-1.7%	-33.8%	-29.2%
Industrial Milk Company	IMC	11.72	11.72	7.10	3.9%	10.0%	15.0%	45.6%	-0.1%	2.2%	-0.1%	-12.2%
Kernel	KER	51.47	80.00	46.00	6.6%	-9.2%	-19.4%	-19.4%	1.6%	4.9%	-19.3%	-77.2%
MHPC	MHPC	11.65	12.05	8.54	3.1%	4.0%	16.5%	32.5%	0.1%	1.4%	-6.1%	-25.3%
Milkiland	MLK	1.50	2.80	1.50	-1.3%	-11.8%	-13.8%	-25.0%	-0.3%	-3.0%	-21.9%	-82.8%
Ovostar Union	OVO	109.15	128.05	84.00	4.9%	-0.7%	-2.8%	26.2%	-0.4%	3.2%	-10.8%	-31.6%
Banks												
Raiffeisen Bank Aval	BAVL	0.291	n/a	n/a	2.3%	6.6%	11.8%	120.6%	0.6%	-3.5%	-0.1%	62.8%

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	2016	2017E	2015	2016	2017E	2015	2016	2017E	2015	2016	2017E	2015	2016	2017E
Iron Ore Mining																
Ferrexpo	FXPO	961	986	1,282	313	375	495	32.6%	38.0%	38.6%	31	189	255	3.3%	19.2%	19.9%
Railcar Manufacturing																
Kryukiv Wagon	KVBZ	41	67	55	-15	1	6	-37.1%	0.9%	11.0%	-19	-4	2	-46.3%	-5.9%	3.3%
Specialized Machinery																
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	414	426	237	166	153	33.9%	40.1%	35.8%	158	77	110	22.6%	18.6%	25.9%
Oil & Gas																
Ukrnafta	UNAF	1,319	885	1,079	-101	116	151	-7.7%	13.1%	14.0%	-250	-343	74	-18.9%	-38.7%	6.8%
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%
Electric Utilities																
Centrenergy	CEEN	315	419	492	12	46	69	3.7%	11.1%	14.1%	3	15	51	1.0%	3.6%	10.5%
Donbasenergo	DOEN	190	157	147	8	7	5	4.3%	4.4%	3.3%	-9	-2	1	-4.6%	-1.1%	1.0%
Consumer																
MHP	MHPC	1,183	1,135	1,300	459	415	490	38.8%	36.6%	37.7%	-126	59	300	-10.6%	5.2%	23.1%
Kernel	KER	1,989	2,169	2,646	346	319	346	17.4%	14.7%	13.1%	225	176	220	11.3%	8.1%	8.3%
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%
Banks																
		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	192	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	2016	2017E	2015	2016	2017E	2015	2016	2017E	
Iron Ore Mining														
Ferrexpo	FXPO	1,986	24.0%	477	2,736	>30	10.5	7.8	8.7	7.3	5.5	2.8	2.8	2.1
Railcar Manufacturing														
Krukiv Wagon	KVBZ	40	5.0%	2	35	neg	neg	21.7	neg	>30	5.7	0.8	0.5	0.6
Specialized Machinery														
Turboatom	TATM	56	5.8%	3	-30	0.7	2.0	2.0	-0.3	-0.9	-0.9	-0.2	-0.3	-0.3
Motor Sich	MSICH	238	24.0%	57	198	1.5	3.1	2.2	0.8	1.2	1.3	0.3	0.5	0.5
Oil & Gas														
Ukrnafta	UNAF	294	3.0%	9	288	neg	neg	4.0	neg	2.5	1.9	0.2	0.3	0.3
Regal Petroleum	RPT	29	21.6%	6	10	neg	n/a	29.0	n/a	n/a	n/a	n/a	n/a	n/a
JKX Oil & Gas	JKX	29	50.4%	15	137	neg	neg	9.6	8.1	4.7	4.0	1.6	1.7	1.4
Electric Utilities														
CentrEnergO	CEEN	156	21.7%	34	75	>30	10.3	3.0	6.3	1.6	1.1	0.2	0.2	0.2
DonbasEnergO	DOEN	16	14.2%	2	30	neg	neg	10.8	3.7	4.3	6.3	0.2	0.2	0.2
Consumer														
MHP	MHPC	1,231	34.1%	420	2,301	neg	20.8	4.1	5.0	5.5	4.7	1.9	2.0	1.8
Kernel	KER	1,123	61.8%	694	1,619	5.0	6.4	5.1	4.7	5.1	4.7	0.8	0.7	0.6
Astarta	AST	339	37.0%	125	486	19.2	3.8	3.0	3.4	2.9	2.9	1.4	1.2	1.1
Avangardco	AVGR	29	22.5%	6	360	neg	neg	14.4	neg	>30	16.4	1.6	1.9	2.0
Ovostar	OVO	179	25.0%	45	184	5.6	5.1	4.8	5.3	4.6	4.3	2.4	2.2	2.0
Banks														
							P/E			P/Book			P/Assets	
Raiffeisen Bank Aval	BAVL	674	1.8%	12		neg	4.5	4.1	2.6	1.8	1.9	0.34	0.32	0.32

Source: Eavex Research

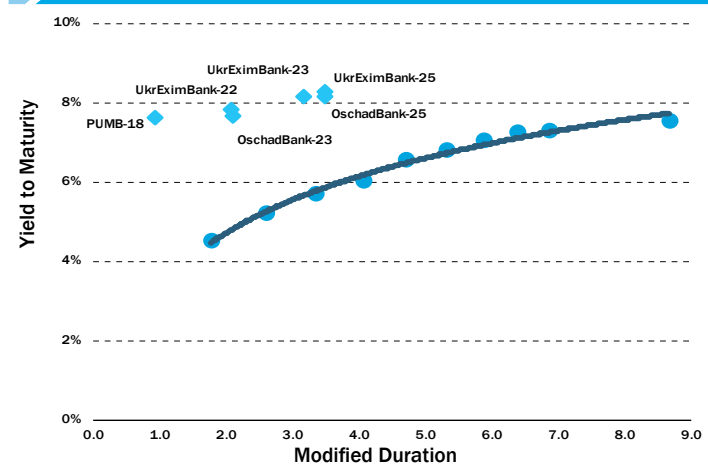
UKRAINIAN EUROBONDS

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	104.9	105.4	4.9%	4.6%	4.1%	1.7	7.75%	S/A	1 Sept 2019	1,744	Caa2/B-/B-
Ukraine, 2020	106.3	106.6	5.3%	5.2%	7.3%	2.5	7.75%	S/A	1 Sept 2020	1,780	Caa2/B-/B-
Ukraine, 2021	106.4	106.9	5.9%	5.7%	8.8%	3.3	7.75%	S/A	1 Sept 2021	1,409	Caa2/B-/B-
Ukraine, 2022	106.8	107.3	6.1%	6.0%	10.3%	4.0	7.75%	S/A	1 Sept 2022	1,384	Caa2/B-/B-
Ukraine, 2023	105.5	106.5	6.6%	6.4%	10.6%	4.6	7.75%	S/A	1 Sept 2023	1,355	Caa2/B-/B-
Ukraine, 2024	103.6	104.3	7.1%	7.0%	9.4%	5.2	7.75%	S/A	1 Sept 2024	1,339	Caa2/B-/B-
Ukraine, 2025	104.0	104.6	7.1%	7.0%	11.0%	5.8	7.75%	S/A	1 Sept 2025	1,329	Caa2/B-/B-
Ukraine, 2026	102.1	102.6	7.4%	7.3%	9.2%	6.3	7.75%	S/A	1 Sept 2026	1,318	Caa2/B-/B-
Ukraine, 2027	102.1	102.6	7.4%	7.3%	9.5%	6.8	7.75%	S/A	1 Sept 2027	1,307	Caa2/B-/B-
Ukraine, 2032	97.5	98.0	7.7%	7.6%	-2.3%	8.6	7.375%	S/A	25 Sept 2032	3,000	//B-
Ukraine, GDP-linked (VRI)	57.0	57.5	n/a	n/a	87.7%	n/a	0.00%	S/A	31 May 2040	3,214	/B-/
Corporate Eurobonds											
Agroton, 2019	14.4	18.8	192%	157%	-17.2%	0.8	6.00%	S/A	14 Jul 2019	18	//
Kernel, 2022	110.0	110.7	6.0%	5.9%	10.3%	3.5	8.75%	S/A	31 Jan 2022	500	/B/B+
MHP, 2020	108.0	108.7	4.7%	4.4%	12.2%	2.2	8.25%	S/A	2 Apr 2020	750	/B-/B-
MHP, 2024	108.0	108.8	6.2%	6.1%	8.4%	5.0	7.75%	S/A	10 May 2024	500	//
Avangardco, 2018	21.9	26.1	259%	219%	-18.8%	0.4	10.00%	S/A	29 Oct 2018	206	//
UkrLandFarming, 2018	26.9	27.6	671%	646%	-11.1%	0.1	10.88%	S/A	26 Mar 2018	500	/CC/
Mriya, 2016	5.0	7.0	n/a	n/a	n/a	n/a	10.95%	S/A	30 Mar 2016	72	IN DEFAULT
Mriya, 2018	5.0	7.0	n/a	n/a	n/a	n/a	9.45%	S/A	19 Apr 2018	400	IN DEFAULT
DTEK, 2024	103.0	104.0	10.3%	10.1%	15.7%	5.3	10.75%	S/A	31 Dec 2024	1,275	//
Metinvest, 2021	91.0	94.0	13.7%	12.8%	-0.5%	3.4	9.37%	S/A	31 Dec 2021	1,197	//B
Ferrexpo, 2019	105.6	106.4	6.2%	5.7%	5.2%	0.9	10.375%	S/A	07 Apr 2019	186	Caa3/CCC/CC
Ferrexpo, 2019	105.6	106.4	6.2%	5.6%	4.8%	0.9	10.375%	S/A	07 Apr 2019	161	Caa3/CCC/CC
UZ Rail, 2021	106.2	107.3	8.0%	7.7%	11.8%	2.0	9.88%	S/A	15 Sept 2021	500	/CCC+/CCC
Interepipe, 2017	25.0	28.0	n/a	n/a	-3.6%	n/a	10.25%	S/A	2 Aug 2017	200	IN DEFAULT
JXX Oil&Gas, 2018	85.0	95.0	23.2%	17.1%	19.8%	1.8	8.00%	S/A	19 Feb 2018	16	//
Bank Eurobonds											
Fin&Credit Bank, 2019	0.6	1.5	n/a	n/a	6.0%	n/a	9.25%	S/A	25 Jan 2019	100	IN DEFAULT
PUMB, 2018	102.9	105.0	8.4%	6.5%	2.4%	1.0	11.00%	Q	31 Dec 2018	275	//
Nadra Bank, 2018	0.2	1.4	n/a	n/a	-16.7%	n/a	6.25%	A	31 Jul 2018	60	IN DEFAULT
PrivatBank, 2018-2	19.0	22.0	n/a	n/a	20.6%	1.5	10.25%	S/A	23 Jan 2018	200	IN DEFAULT
PrivatBank, 2021	7.0	13.0	n/a	n/a	-23.1%	1.4	11.00%	S/A	09 Feb 2021	220	IN DEFAULT
PrivatBank, 2018	19.0	22.8	n/a	n/a	56.8%	0.1	10.88%	S/A	28 Feb 2018	175	IN DEFAULT
UkrEximBank, 2022	107.7	108.5	7.6%	7.4%	10.3%	2.1	9.625%	S/A	27 Apr 2022	750	Caa3//B-
UkrEximBank, 2023	100.1	101.4	8.5%	8.2%	22.1%	3.5	7.51%	S/A	9 Feb 2023	125	Caa3//CCC
UkrEximBank, 2025	108.8	109.6	8.1%	8.0%	14.9%	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	106.6	107.4	7.8%	7.7%	9.7%	2.0	8.25%	S/A	10 Mar 2023	700	Caa3//B-
Oschadbank, 2025	107.7	108.6	8.2%	8.0%	14.4%	3.1	8.88%	S/A	20 Mar 2025	500	Caa3//B-
Municipal Eurobonds											
City of Kyiv, 2015	66.0	70.4	n/a	n/a	-11.2%	n/a	8.00%	S/A	6 Nov 2015	101	IN DEFAULT

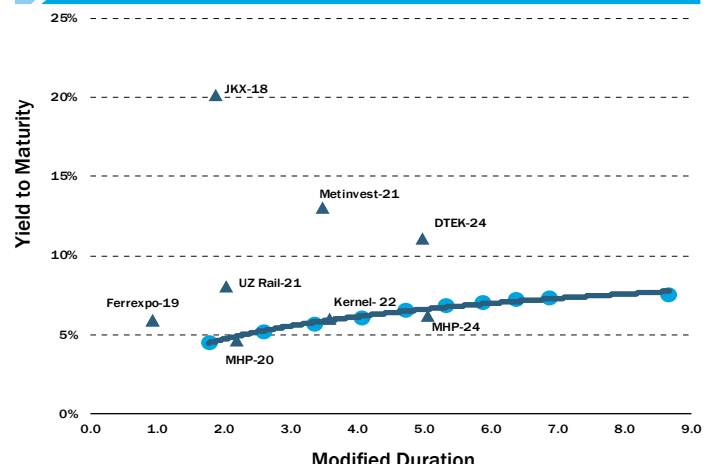
¹ Moody's/S&P/Fitch

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 UAH mn
UAH denominated Bonds									
UA4000194591			15.10%	14.90%	n/a	16.62%	S/A	11 Jul .2018	1,454
VAT Bonds									
UA4000185151			15.40%	15.10%	1.9	9.50%	S/A	8 Jul 2019	3,577
UA4000185557			15.40%	15.10%	1.9	9.50%	S/A	22 Jul 2019	2,171
UA4000186159			15.40%	15.10%	1.9	9.50%	S/A	20 Aug 2019	955

Source: Bloomberg, Cbonds, Eavex Research

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