

## Stock Market Update

### Equity

Among Ukrainian companies listed on foreign exchanges, Milkiland (MLK) market capitalization continued to rise sharply. Over the week, the company's stock jumped by 27% to PLN 1.39, giving it a market capitalization of USD 11mn. Since the beginning of June, Milkiland's stock price has doubled, possibly indicating an imminent corporate event driving this rapid increase. Currently, no public news justifies such a surge in the company's shares.

Shares of the gas extraction company Enwell Energy (formerly known as Regal Petroleum) surged by 20% to GBp 19.3 (MCap of USD 78mn). This market reaction followed news that Ukraine's State Geological Service lifted the suspension of Enwell Energy's licenses for two of its fields in Ukraine.

In contrast, major Ukrainian listed agro companies suffered a decline. In London trading, MHP (MHPC) decreased by 4.5% to USD 3.43 (MCap of USD 367mn) and in Warsaw, grain exporter Kernel (KER) slipped by 1.5% to PLN 12.12 (MCap of USD 885mn).

Ukrainian agro names were partly hit after the Economic Ministry said that about 40% of the Ukrainian economy is "in the shadows" and this also applies to the agricultural sector and the export of agricultural products. The recent laws signed by President Volodymyr Zelenskiy, aimed at combating "black grain" and non-return of foreign currency earnings to the country. Earlier it became known that the Bureau of Economic Security is investigating several criminal proceedings related to "gray" grain exports. According to law enforcement officers, the most common scheme of such tax evasion for tens of millions of hryvnia is the purchase of grain with no documents of origin for cash and its further export abroad using the details of "risky" or shell companies.

## Highlights

### POLITICS AND ECONOMICS

- Ukraine's Sovereign External Debt Has Risen by USD 8bn YTD, Reaching USD 103bn. The Domestic Debt Stands at USD 40bn

The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:

[www.bank.gov.ua/en/about/support-the-armed-forces](http://www.bank.gov.ua/en/about/support-the-armed-forces)

The National Bank also opened fundraising account for Humanitarian Assistance to Ukrainians. Please see details under the link below:

[www.bank.gov.ua/en/about/humanitarian-aid-to-ukraine](http://www.bank.gov.ua/en/about/humanitarian-aid-to-ukraine)

[www.eavex.com.ua](http://www.eavex.com.ua)

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### TREND



UNITED24 charitable donations will be transferred to the official accounts of the National Bank of Ukraine and allocated by assigned ministries to cover the most pressing needs:

[www.u24.gov.ua](http://www.u24.gov.ua)

### MARKET INDEXES

	Last	1W ch	YTD
UX	1194	0.0%	-29.1%
RTS	1157	1.8%	6.8%
WIG20	2561	2.9%	9.4%
MSCI EM	1086	-0.1%	6.1%
MSCI Global	802	0.1%	10.3%
S&P 500	5460	-0.1%	14.5%

### FIXED INCOME

	Last	1W ch	YTD
NBU Key Rate	13.0%	0.0 p.p.	-2.0 p.p.
UAH 1-year bond	14.7%	0.0 p.p.	-2.1 p.p.
Ukraine-2026s	94.3%	-3.1 p.p.	6.9 p.p.
Ukraine-2034s	31.6%	-1.3 p.p.	-7.1 p.p.

### CASH EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	40.85	0.0%	7.5%
EUR/UAH	44.00	0.0%	4.8%

Source: Eavex Capital

**Ukraine's Sovereign External Debt Has Risen by USD 8bn YTD, Reaching USD 103bn**

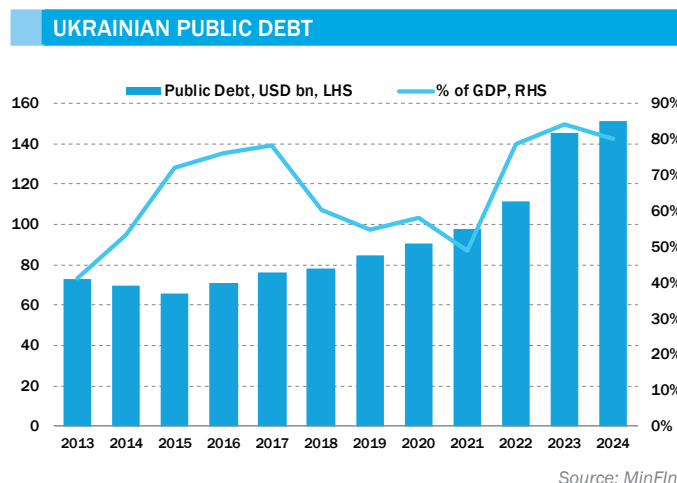
**The Domestic Debt Stands at USD 40bn**

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**NEWS**

Ukraine's state and state-guaranteed debt amounted to USD 151bn, of which direct state debt was USD 143n, as of early June. Domestic debt, represented by government bonds, has decreased by 3.3% in USD terms to an equivalent of USD 40.4bn this year due to the depreciation of the hryvnia.

In 2024, the country's external debt increased by 8.4% (USD 7.9bn) to USD 103bn.



**COMMENTARY**

Current agreements with external commercial creditors stipulate that in September, Ukraine is scheduled to pay USD 1.0bn to redeem Eurobonds and USD 2.8bn in interest payments on commercial loans. In our view, Ukraine is unlikely to make these payments to creditors and will either negotiate a restructuring or default on these obligations.

Regarding domestic debt, projected payments for the second half of the year on government bonds, including interest and principal repayments, amount to UAH 305bn (equivalent to USD 7.5bn). The Ministry of Finance needs to raise an average of UAH 11.7bn per week at government bond placement auctions to refinance maturing bonds. Last week's auction raised UAH 15.1bn, suggesting that the Ministry of Finance is capable of securing sufficient funds for the domestic debt refinancing.

Overall, the trend of increasing external debt is expected to continue as it remains the only mechanism to compensate for Ukraine's significant budget deficit.

Recently, Ukraine and the EU signed an agreement for a total of EUR 27bn for 2024–2027 under the Ukraine Facility support program. Disbursements from this program will be made quarterly. In June, Ukraine's budget received EUR 1.9bn in unconditional funding from the EU. Since the start of the full-scale war, the EU has provided Ukraine with nearly EUR 35bn in direct budget support.

According to our estimates, if there is no write-off of part of the debt on Eurobonds, the state and state-guaranteed debt could reach USD 170bn (equivalent to 90% of GDP) by the end of the year.

**QUOTES AND MULTIPLES FOR SELECTED UKRAINIAN LISTED COMPANIES**

	Ticker	Today, UAH*	Absolute performance		MCap USD mn	EV USD mn	Free float	P/E		EV/EBITDA		EV/Sales 2024E
			1W	YtD				2023	2024E	2023	2024E	
UX Index	UX	1194	0.0%	-29.1%								
<b>Iron Ore Mining</b>												
Ferrexpo	FXPO	45.0	2.3%	-50.1%	339	208	25.5%	4.2	2.8	1.5	1.2	0.2
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	15.2	0.0%	1.9%	43	27	5.0%	14.3	11.9	3.8	3.5	0.5
<b>Oil &amp; Gas</b>												
Enwell Energy (ex-Regal)	ENW	19.3	20.6%	22.5%	78	44	21.6%	2.8	2.3	0.9	0.8	0.5
<b>Power Utilities</b>												
Centrenergo	CEEN	3.72	0.0%	-17.1%	34	34	21.7%	neg	neg	neg	neg	n/a
<b>Agro sector</b>												
MHP	MHPC	3.43	-4.5%	7.2%	367	1,468	33.7%	2.6	4.9	3.3	3.2	0.5
Kernel (FY22, FY23, FY24E)	KER	12.12	-1.5%	32.5%	885	1,480	5.4%	neg	2.4	2.7	2.2	0.4
Astarta	AST	28.95	-2.2%	0.9%	176	334	37.0%	2.1	1.9	1.7	1.6	0.5
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.25	0.2%	-21.9%	376		1.8%	2.6	3.7	0.6	0.7	0.09

Source: UX. PFTS. LSE. WSE. Eavex Research  
\* companies listed abroad are in traded currency

**QUOTES AND MULTIPLES FOR SELECTED U.S. COMPANIES**

	Ticker	Price USD	Absolute performance		MCap USD mn	EV USD mn	P/E		EV/EBITDA		EV/Sales 2024E	
			1W	YtD			2023	2024E	2023	2024E		
Индекс S&P 500	S&P 500	5460	-0.1%	14.5%								
<b>Technology sector</b>												
Apple	AAPL	210	1.4%	9.1%	3,275,881	3,337,881		33.8	37.2	25.1	29.0	8.9
Microsoft	MSFT	447	-0.4%	18.9%	3,320,763	3,358,763		38.5	45.2	26.3	28.5	14.9
Palantir Technologies	PLTR	25.33	6.3%	47.5%	54,777	51,733		260.8	156.5	188.8	103.5	18.8
<b>Electric Utilities</b>												
American Electric Power	AEP	87.74	0.8%	8.0%	45,665	88,001		20.8	19.0	12.2	11.0	4.4
Dominion Energy	D	49.00	-0.4%	4.3%	41,003	83,526		21.5	24.1	12.3	10.6	4.5
<b>Oil &amp; Gas</b>												
Exxon Mobil	XOM	115.00	4.5%	15.0%	515,890	517,200		14.3	11.2	7.0	6.1	1.5
Devon Energy	DEV	47.40	3.4%	4.6%	30,194	36,020		8.1	7.2	4.7	4.6	2.1
PBF Energy	PBF	46.02	5.2%	4.7%	5,624	5,794		2.6	2.0	1.6	1.3	0.2
<b>Transportation</b>												
Nordic American Tankers	NAT	3.98	-2.0%	-5.2%	831	1,017		8.4	6.8	5.7	6.6	2.0
<b>Pharmaceutical</b>												
Pfizer	PFE	27.98	0.9%	-2.8%	157,975	177,975		74.5	20.3	18.5	8.5	2.8
Bristol-Myers Squibb	MYL	41.53	-1.0%	-19.1%	85,427	117,027		10.4	57.0	6.0	58.5	2.6

Source: Bloomberg

**MAIN FINANCIAL FORECASTS FOR UKRAINIAN COMPANIES, USD mn**

		Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2022	2023	2024E	2022	2023	2024E	2022	2023	2024E	2022	2023	2024E	2022	2023	2024E
<b>Iron Ore Mining</b>																
Ferrexpo	FXPO	1,248	750	850	765	140	170	61.3%	18.7%	20.0%	220	80	120	17.6%	10.7%	14.1%
<b>Railcar Manufacturing</b>																
Kryukiv Wagon	KVBZ	111	84	56	5	7	8	4.4%	8.5%	13.9%	1	3	4	1.1%	3.5%	6.4%
<b>Oil &amp; Gas</b>																
Regal Petroleum	RPT	131	80	95	86	49	57	65.7%	61.3%	60.0%	55	28	34	41.9%	35.0%	35.8%
<b>Electric Utilities</b>																
Centrenerg	CEEN	323	427	89	-171	-18	-189	-53.0%	-4.1%	-213.1%	-224	-25	-316	-69.3%	-5.8%	neg
<b>Agro sector</b>																
MHP	MHPC	2,642	3,021	3,100	384	445	465	14.5%	14.7%	15.0%	-231	142	75	-8.7%	4.7%	2.4%
Kernel (FY22, FY23, FY24E)	KER	5,332	3,455	3,800	220	544	680	4.1%	15.7%	17.9%	-41	299	370	-0.8%	8.7%	9.7%
Astarta	AST	561	628	688	170	199	211	30.3%	31.7%	30.7%	72	85	94	12.8%	13.5%	13.6%
<b>Banks</b>																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	4,238	4,211	4,231	466	591	575	314	389	385	43	142	103	9.2%	24.1%	17.8%

Source: Eavex Research

**FINANCIAL FORECASTS FOR SELECTED U.S. COMPANIES, USD mn**

		Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2022	2023	2024E	2022	2023	2024E	2022	2023	2024E	2022	2023	2024E	2022	2023	2024E
<b>Technology sector</b>																
Apple	AAPL	383,285	383,000	375,000	125,820	133,000	115,000	32.8%	34.7%	30.7%	96,995	97,000	88,000	25.3%	25.3%	23.5%
Microsoft	MSFT	211,915	236,500	225,000	102,384	127,700	118,000	48.3%	54.0%	52.4%	72,361	86,200	73,500	34.1%	36.4%	32.7%
Palantir Technologies	PLTR	1,906	2,225	2,750	-334	274	500	-17.5%	12.3%	18.2%	-374	210	350	-19.6%	9.4%	12.7%
<b>Electric Utilities</b>																
American Electric Power	AEP	19,640	18,950	20,100	7,102	7,200	8,000	36.2%	38.0%	39.8%	2,307	2,200	2,400	11.7%	11.6%	11.9%
Dominion Energy	D	17,174	14,400	18,450	4,849	6,800	7,900	28.2%	47.2%	42.8%	994	1,910	1,700	5.8%	13.3%	9.2%
<b>Oil &amp; Gas</b>																
Exxon Mobil	XOM	398,675	335,000	350,000	102,591	74,300	85,000	25.7%	22.2%	24.3%	55,740	36,000	46,000	14.0%	10.7%	13.1%
Devon Energy	DVN	19,169	15,300	17,500	10,368	7,700	7,750	54.1%	50.3%	44.3%	6,015	3,750	4,200	31.4%	24.5%	24.0%
PBF Energy	PBF	46,830	38,300	38,000	3,811	3,540	4,500	8.1%	9.2%	11.8%	2,876	2,140	2,750	6.1%	5.6%	7.2%
<b>Transportation</b>																
Nordic American Tankers	NAT	339	392	520	42	179	155	12.4%	45.7%	29.8%	15	99	122	4.4%	25.3%	23.5%
<b>Pharmaceutical</b>																
Pfizer	PFE	100,330	58,500	64,200	39,576	9,600	21,000	39.4%	16.4%	32.7%	31,372	2,120	7,800	31.3%	3.6%	12.1%
Bristol-Myers Squibb	BMJ	46,159	45,000	45,600	18,540	19,400	2,000	40.2%	43.1%	4.4%	6,327	8,220	1,500	13.7%	18.3%	3.3%

Source: Bloomberg

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