

Stock Market Update

Ukraine-Linked Assets Rally Amid Peace Talks Speculation

Assets tied to Ukraine and traded on foreign exchanges climbed as discussions about potential peace negotiations gained momentum. While no concrete dates for talks have been set, expectations are rising after U.S. President Donald Trump signaled his intent to engage with Russia in an effort to end the war in Ukraine.

Stock Market Surge

Ukrainian agribusiness stocks saw a sharp rally. Astarta (AST) shares on the Warsaw Stock Exchange soared 18.6% to PLN 49.40, lifting its market capitalization to USD 297mn. MHP (MHPC) shares posted a more moderate 1.5% gain to USD 5.46, valuing the company at USD 584mn. Quotes for IMC shot up by 21% to PLN 21.60 (MCap of USD 189mn).

In contrast, Ferrexpo (FXPO) shares tumbled 14% to GBp 95.2, wiping out gains as its Ukrainian unit, Ferrexpo Poltava Mining, became the target of a USD 3.76bn lawsuit. The company stated that the lawsuit alleges illegal extraction of minerals and the sale of production waste. The company is of the view that these accusations and claim are without merit and intends to vigorously defend its position in the Ukrainian courts.

Currency Market Stability

The hryvnia stabilized at 41.55 per dollar in the interbank market. The National Bank of Ukraine's interventions totaled USD 455mn for the week – well below the January weekly average of USD 850mn.

The central bank reported foreign reserves of USD 43bn as of early February, a level it considers sufficient to maintain exchange rate stability.

Highlights

POLITICS AND ECONOMICS

- Waltz Distances US from Ukraine Security Guarantees Ahead of Munich Meetings
- Ukraine's Public Debt Increases by 14% YoY to USD 166bn in 2024

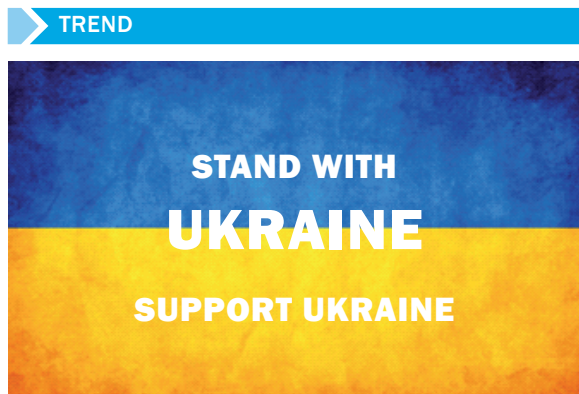
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:

www.bank.gov.ua/en/about/support-the-armed-forces

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

www.eavex.com.ua



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

MARKET INDEXES			
	Last	1W ch	YTD
UX	1194	0.0%	0.0%
RTS	960	1.2%	7.5%
WIG20	2488	2.3%	13.5%
MSCI EM	1108	1.4%	3.1%
MSCI Global	869	0.0%	3.3%
S&P 500	6026	-0.2%	2.5%

FIXED INCOME			
	Last	1W ch	YTD
NBU Key Rate	14.5%	0.0 p.p.	1.0 p.p.
UAH 1-year bond yield	15.9%	0.8 p.p.	0.8 p.p.
Ukraine-2029 yield	15.1%	-0.4 p.p.	-0.8 p.p.
Ukraine-2036 yield	12.9%	-0.6 p.p.	-1.5 p.p.

CASH EXCHANGE RATES			
	Last, UAH	1W ch	YTD
USD/UAH	41.65	-0.4%	-1.4%
EUR/UAH	43.60	0.2%	-1.6%

Source: Eavex Capital

Waltz Distances US from Ukraine Security Guarantees Ahead of Munich Meetings

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NEWS

US President Trump's top national security advisor Michael Waltz said on Sunday (Feb 9) that security guarantees for Ukraine following the end of the war must be the full responsibility of European countries.

During an interview on US national television, Waltz said that "the Europeans are going to have to own this conflict going forward... President Trump is going to end it, and then in terms of security guarantees, that is squarely going to be with the Europeans".

There was no immediate European Union reaction to Waltz's comments. Waltz noted that several Trump administration officials, including Vice President J.D. Vance, top diplomat Marco Rubio, and Ukraine/Russia Special Envoy Keith Kellogg will be attending the Munich Security Conference later this week to discuss support for Ukraine. Trump himself will not make the trip to Germany, but said that he expects to meet with President Zelenskiy in the near term, likely in Washington.

COMMENTARY

Waltz going out of his way to distance the Trump administration from future security guarantees for Ukraine is a negative signal for Kyiv which was surely well received in Moscow.

Any so-called security guarantees without the backing of the United States are likely to be worth little to nothing, since the EU has always relied on Washington to lead the way on defense issues.

It is also unclear how refusing to provide security guarantees could help Trump to clinch a deal for a share of ownership in Ukraine's mineral deposits, an idea which has been gaining traction in recent weeks, since those deposits would not be secured.

Some rumors are circulating that Trump wants a ceasefire to go into effect by the end of April, but there have been no public signs of the Putin regime's willingness to agree.

We expect the Munich conference to begin to provide a better outline of what Trump's plan for stopping the war actually looks like, as well to show which administration official(s) will become the key player(s) in that effort.

Ukraine's Public Debt Increases by 14% YoY to USD 166bn in 2024

by Dmitry Churin
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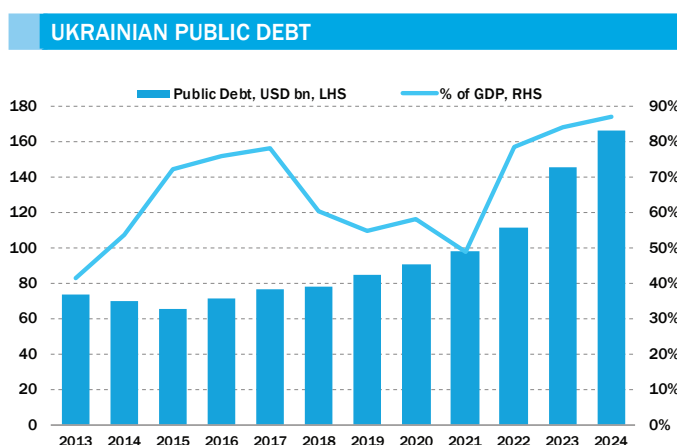
NEWS

Ukraine's state and guaranteed debt climbed 14.3% in 2024 to USD 166bn, the Finance Ministry reported.

A restructuring of sovereign Eurobonds and new concessional loans from international partners helped lower the average servicing cost of public debt to 5.09%, compared with 7.79% at the start of 2022.

The restructuring, along with longer-term borrowings, also extended the average maturity of government debt to 12 years, up from 6 years at the end of 2021.

By creditor type, 58% of Ukraine's public and guaranteed debt consists of concessional loans from international financial institutions and foreign governments, followed by 28% in domestic bonds, 12% in external bonds, and 2% in loans from commercial banks and other financial institutions.



Source: MinFln

COMMENTARY

Ukraine's public debt stood at 88% of GDP as of the end of 2024, with actual debt growth of USD 21bn falling short of expectations. This was largely due to USD 42bn in external aid coming in part in the form of grants rather than loans.

Domestic debt, primarily represented by government bonds (OVDPs), saw only a modest increase in dollar terms, rising from USD 43.5bn to USD 44.3bn. Nearly all new OVDP issuances were used to repay or service outstanding bonds.

Since the start of the war, Ukraine's public debt has surged 70% in absolute terms, from USD 98bn at the end of 2021 to USD 166bn. Over the same period, the debt-to-GDP ratio has climbed from 49% to 88%.

With 60% of GDP set as a debt threshold for EU candidate countries, Ukraine's current ratio poses an additional challenge to its European integration ambitions.

QUOTES AND MULTIPLES FOR SELECTED UKRAINIAN LISTED COMPANIES

	Ticker	Last Price*	Absolute performance		MCap USD mn	EV USD mn	Free float	P/E		EV/EBITDA		EV/Sales 2025E
			1W	YtD				2024	2025E	2024	2025E	
UX Index	UX	1194	0.0%	0.0%								
Iron Ore Mining												
Ferrexpo	FXPO	95.2	-14.1%	-15.8%	706	594	25.5%	5.9	4.2	3.5	2.6	0.5
Oil & Gas												
Enwell Energy (ex-Regal)	ENW	22.0	4.8%	0.0%	87	-6	21.6%	3.5	2.9	na	na	na
Power Utilities												
Centrenerg	CEEN	3.72	0.0%	0.0%	33	33	21.7%	neg	neg	neg	neg	n/a
Agro sector												
MHP	MHPC	5.46	1.5%	9.6%	584	1 753	33.7%	3.7	4.5	3.2	3.1	0.5
Kernel (FY23, FY24, FY25)	KER	17.74	4.0%	36.5%	1 282	1 877	5.4%	3.5	2.7	2.8	2.6	0.4
Astarta	AST	49.40	18.6%	21.1%	297	455	37.0%	3.3	3.1	2.3	2.2	0.7
IMC	IMC	21.60	21.3%	35.0%	189	203	18.3%	3.4	3.6	2.5	2.4	1.0
										Price/Book	Price/Assets	
Raiffeisen Bank Aval	BAVL	0.25	0.0%	0.0%	369		1.8%	3.7	3.8	0.6	0.5	0.08

Source: UX. PFTS. LSE. WSE. Eavex Research
* prices are in traded currency

QUOTES AND MULTIPLES FOR SELECTED U.S. COMPANIES

	Ticker	Price USD	Absolute performance		MCap USD bn	EV USD bn	P/E		EV/EBITDA		EV/Sales 2025E	
			1W	YtD			2024	2025E	2024	2025E		
Индекс S&P 500	S&P 500	6026	-0.2%	2.5%								
Technology sector												
Apple	AAPL	228	-3.4%	-10.9%	3,557	3,597		38	40	27	26	9
Microsoft	MSFT	410	-1.2%	-4.7%	3,046	3,036		35	32	23	21	11
NVIDIA	NVDA	130	8.3%	-3.0%	3,184	3,154		49	38	42	33	22
Palantir Technologies	PLTR	110.9	34.4%	40.2%	242	238		484	302	396	264	58
Electric Utilities												
American Electric Power	AEP	100.4	2.0%	8.5%	53	97		19.8	17.2	12.7	12.2	4.7
Dominion Energy	D	54.6	-1.8%	1.2%	46	88		19.1	18.3	13.2	12.5	5.9
Oil & Gas												
Exxon Mobil	XOM	109	1.9%	2.4%	480	495		14.1	13.7	6.9	6.5	1.4
Devon Energy	DVN	33.2	-2.6%	6.4%	22	30		6.4	6.1	4.0	3.8	1.9
PBF Energy	PBF	27.8	-5.1%	9.4%	4.2	5.3		20.9	8.3	13.2	6.6	0.1
Iron Ore Mining												
VALE	VALE	9.47	1.9%	6.8%	40	52		4.3	4.0	3.4	3.1	1.2
Pharmaceutical												
Pfizer	PFE	25.7	-3.0%	-3.5%	146	203		33.9	29.7	14.7	14.0	3.3
Bristol-Myers Squibb	BMJ	56.9	-3.6%	-1.4%	116	159		neg	17.8	31.1	12.8	3.2

Source: Bloomberg

MAIN FINANCIAL FORECASTS FOR UKRAINIAN COMPANIES, USD mn

		Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2023	2024	2025E	2023	2024	2025E	2023	2024	2025E	2023	2024	2025E	2023	2024	2025E
Iron Ore Mining																
Ferrexpo	FXPO	750	950	1,100	140	170	230	18.7%	17.9%	20.9%	80	120	170	10.7%	12.6%	15.5%
Oil & Gas																
Regal Petroleum	RPT	80	55	65	49	52	57	61.3%	94.5%	87.7%	28	25	30	35.0%	45.5%	46.2%
Electric Utilities																
Centrenergó	CEEN	427	na	na	-18	na	na	-4.1%	na	na	-25	na	na	-5.8%	na	na
Agro sector																
MHP	MHPC	3,021	3,100	3,250	445	550	570	14.7%	17.7%	17.5%	142	160	130	4.7%	5.2%	4.0%
Kernel (FY23, FY24, FY25E)	KER	3,455	3,800	4,200	544	680	710	15.7%	17.9%	16.9%	299	370	470	8.7%	9.7%	11.2%
Astarta	AST	628	645	685	199	202	204	31.7%	31.3%	29.7%	85	89	95	13.5%	13.8%	13.9%
IMC	IMC	139	180	200	3	80	85	2.4%	44.4%	42.5%	-21	55	52	-15.1%	30.6%	26.0%
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	4,977	4,643	4,886	575	615	683	594	488	453	126	100	98	21.9%	16.3%	14.3%

Source: Eavex Research

FINANCIAL FORECASTS FOR SELECTED U.S. COMPANIES, USD bn

		Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2023	2024	2025E	2023	2024	2025E	2023	2024	2025E	2023	2024	2025E	2023	2024	2025E
Technology sector																
Apple	AAPL	383	391	395	126	135	137	32.8%	34.5%	34.7%	97	94	90	25.3%	24.0%	22.8%
Microsoft	MSFT	212	245	265	105	133	147	49.5%	54.3%	55.5%	72	88	96	34.0%	35.9%	36.2%
NVIDIA	NVDA	61	118	145	36	75	95	59.0%	63.6%	65.5%	30	65	83	49.2%	55.1%	57.2%
Palantir Technologies	PLTR	2.2	2.9	4.1	0.3	0.6	0.9	13.6%	20.7%	22.0%	0.2	0.5	0.8	9.1%	17.2%	19.5%
Electric Utilities																
American Electric Power	AEP	19.0	19.8	20.7	7.2	7.7	8.0	37.9%	38.9%	38.6%	2.2	2.7	3.1	11.6%	13.6%	15.0%
Dominion Energy	D	14.4	14.7	15.1	6.8	6.7	7.1	47.2%	45.6%	47.0%	1.9	2.4	2.5	13.2%	16.3%	16.6%
Oil & Gas																
Exxon Mobil	XOM	335	344	352	74	72	76	22.1%	20.9%	21.6%	36	34	35	10.7%	9.9%	9.9%
Devon Energy	DVN	15.3	15.8	16.2	7.5	7.6	7.9	49.0%	48.1%	48.8%	3.7	3.4	3.6	24.2%	21.5%	22.2%
PBF Energy	PBF	38.3	34.9	35.3	3.5	0.4	0.8	9.1%	1.1%	2.3%	2.1	0.2	0.5	5.5%	0.6%	1.4%
Iron Ore Mining																
VALE	VALE	41.8	41.0	44.0	15.6	15.2	17.0	37.3%	37.1%	38.6%	7.9	9.3	10.0	18.9%	22.7%	22.7%
Pharmaceutical																
Pfizer	PFE	58.5	59.4	62.0	9.6	13.8	14.5	16.4%	23.2%	23.4%	2.1	4.3	4.9	3.6%	7.2%	7.9%
Bristol-Myers Squibb	BMJ	45.0	47.4	48.8	19.4	5.1	12.4	43.1%	10.8%	25.4%	8.0	-7.3	6.5	17.8%	-15.4%	13.3%

Source: Bloomberg

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