

Stock Market Update

Geopolitical Tensions Weigh on Markets

Escalating geopolitical uncertainty over the U.S. stance on Ukraine has added fresh volatility to financial markets. On Friday, U.S. equities briefly plunged as investors reacted to President Donald Trump's public remarks, which suggested he viewed the war in Ukraine as little more than a card game.

Global equities had a rough week, with markets undergoing a sustained correction. The S&P 500 ended the period down 1.0%, while the MSCI Emerging Markets Index tumbled 4.4% and the MSCI Global Index declined 1.4%.

NVIDIA Stumbles Despite Strong Earnings

NVIDIA, the second-largest U.S. company by market capitalization, saw its stock slump 9% over the past five trading sessions, despite reporting earnings that met market expectations. The chipmaker posted revenue of USD 39.3bn for the quarter, up 78% from the prior year, while net income surged 80% to USD 22.1bn. Looking ahead, NVIDIA expects revenue to hit USD 43bn in the first quarter, reinforcing its strong growth trajectory.

Ukrainian Stocks Hold Firm

Ukrainian equities have yet to fully price in recent political developments. Astarta's (AST) shares gained 3.6% over the week to PLN 54.50, lifting its market capitalization to USD 329mn. Kernel (KER) also rose 3.6% to PLN 23.50, valuing the company at USD 1.7bn.

Highlights

STOCKS IN THE NEWS

- Kernel Misses Expectation Posting Net Profit of USD 56mn in Oct-Dec Quarter (-58% YoY)

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

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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

MARKET INDEXES

	Last	1W ch	YTD
UX	1194	0.0%	0.0%
RTS	1142	-2.6%	27.9%
WIG20	2579	-1.5%	17.7%
MSCI EM	1097	-4.4%	2.0%
MSCI Global	862	-1.4%	2.5%
S&P 500	5954	-1.0%	1.2%

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%	0.0 p.p.	0.8 p.p.
Ukraine-2029 yield	15.0%	0.0 p.p.	-0.9 p.p.
Ukraine-2036 yield	13.5%	0.3 p.p.	-0.9 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	41.75	-0.2%	-1.2%
EUR/UAH	43.80	0.4%	-1.1%

Source: Eavex Capital

Kernel Misses Expectation Posting Net Profit of USD 56mn in Oct-Dec Quarter (-58% YoY)

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KERNEL (KER PW)

Price: PLN 23.45 Market Cap: USD 1,707mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
FY24	1.0	0.7	5.7	4.2	0.0%
FY25E	0.7	0.6	4.6	3.4	0.0%

NEWS

Kyiv-based, Warsaw-listed Kernel Holding, Ukraine's largest sunflower oil producer, reported a net profit of USD 56mn for October-December, the second quarter of its 2025 fiscal year. The figure marks a 58% decline from the same period a year earlier.

However, net income for July-December surged 74% YoY to USD 177mn. Revenue for the six-month period rose 22% to USD 1.95bn, while EBITDA climbed 29% to USD 287mn, with an EBITDA margin of 14.7%.

KERNEL FINANCIAL RESULTS

USD mn	2Q2024	2Q2025	YoY	1H2024	1H2025	YoY
Net revenue	1,044	1,149	+10%	1,590	1,947	+22%
EBITDA	205	118	-42%	223	287	+29%
EBITDA margin	19.6%	10.3%	-9.4 p.p.	14.0%	14.7%	+0.7 p.p.
Net income	133	56	-58%	102	177	+74%
Net margin	12.7%	4.9%	-7.9 p.p.	6.4%	9.1%	+2.7 p.p.

Source: Company data,

COMMENTARY

Kernel delivered solid financial results for the reporting quarter, though they came in slightly below expectations.

The company noted a 42% increase in administrative expenses to USD 75mn, while gross margin declined due to higher raw material and input costs.

On the debt side, Kernel's financial position improved. The net debt-to-EBITDA ratio dropped to 0.7x as of December 31, 2024, compared with 1.4x a year earlier.

In absolute terms, net debt stood at USD 325mn, while total debt reached USD 945mn. Cash holdings amounted to USD 620mn, bringing total assets to USD 3.4bn as of the reporting date.

Majority shareholder Namsen Limited raised its stake in Kernel to 95.06%, heightening the risk of a mandatory share buyout and delisting for minority investors. While no Squeeze-Out procedure has been announced yet, such a move could be forthcoming.

Kernel's stock has jumped nearly 80% since the start of the year, rising from PLN 13 to PLN 23, driven by expectations of an end to the war.

The company's eurobonds maturing in 2027 are trading at 92 cents on the dollar, implying a yield to maturity of 10.2%.

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	74.7	-3.0%	-33.9%	563	451	25.5%	4.7	3.3	2.7	2.0	0.4
Oil & Gas												
Enwell Energy (ex-Regal)	ENW	18.0	-12.2%	-18.2%	73	-21	21.6%	2.9	2.4	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	6.06	-1.6%	21.7%	649	1,818	33.7%	4.1	5.0	3.3	3.2	0.6
Kernel (FY23, FY24, FY25)	KER	23.45	3.5%	80.4%	1,703	2,298	5.4%	4.6	3.6	3.4	3.2	0.5
Astarta	AST	54.50	3.6%	33.6%	329	487	37.0%	3.7	3.5	2.4	2.4	0.7
IMC	IMC	29.70	-4.2%	85.6%	261	275	18.3%	4.7	5.0	3.4	3.2	1.4
										Price/Book	Price/Assets	
Raiffeisen Bank Aval	BAVL	0.25	0.0%	0.0%	368		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	5955	-1.0%	1.3%								
Technology sector												
Apple	AAPL	241	-2.0%	-5.9%	3,759	3,799		40	42	28	28	10
Microsoft	MSFT	397	-2.7%	-7.7%	2,949	2,939		34	31	22	20	11
NVIDIA	NVDA	125	-6.7%	-6.7%	3,061	3,031		47	37	40	32	21
Palantir Technologies	PLTR	84.9	-16.3%	7.4%	185	181		370	231	302	201	44
Electric Utilities												
American Electric Power	AEP	106.1	0.8%	14.7%	56	100		20.9	18.2	13.0	12.6	4.9
Dominion Energy	D	56.6	-1.4%	5.0%	48	90		19.8	19.0	13.5	12.7	6.0
Oil & Gas												
Exxon Mobil	XOM	111	0.0%	4.2%	488	503		14.4	14.0	7.0	6.6	1.4
Devon Energy	DVN	36.2	-3.5%	16.0%	24	32		7.0	6.6	4.2	4.1	2.0
PBF Energy	PBF	21.4	-7.8%	-15.7%	3.2	4.3		16.1	6.4	10.8	5.4	0.1
Iron Ore Mining												
VALE	VALE	9.43	-6.7%	6.3%	40	52		4.3	4.0	3.4	3.1	1.2
Pharmaceutical												
Pfizer	PFE	26.4	0.4%	-0.8%	150	207		34.8	30.5	15.0	14.3	3.3
Bristol-Myers Squibb	BMJ	59.6	6.8%	3.3%	121	164		neg	18.6	32.2	13.2	3.4

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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