

Stock Market Update

Ukrainian Stocks Remain Mixed

Global equity markets saw heightened volatility, with gains early last week giving way to a sharp selloff on Friday. The S&P 500 ended the week down 1.5%, bringing its year-to-date decline to 5.1%.

Ukrainian stocks listed on foreign exchanges posted mixed performance. Shares of Ferrexpo (FXPO) slumped 7.9% to GBp 58.40 (MCap of USD 451mn) after the company disclosed a halt in VAT refunds in a London Stock Exchange filing.

MHP (MHPC) shares remained flat at USD 6.10 (MCap of USD 653mn).

Kernel (KER) outperformed, climbing 2.5% to PLN 20.80 (MCap USD 1.6bn). The stock has surged 60% year-to-date from PLN 13.00 on optimism over a potential end to the war in Ukraine.

Hryvnia Stands Virtually Unchanged

The cash exchange rate inched down by 0.1% to 41.65 UAH/USD.

On the interbank market, the National Bank sold additional USD 845mn to balance the demand for the hard currency from importers. The IMF in its latest macroeconomic review pointed that Ukraine's current account deficit would amount to USD 32.8bn this year (-15.9% of GDP). The National Bank has spent USD 9.0bn since the start of the year to prop up the hryvnia. However, the FX intervention should aim to limit excessive exchange rate volatility without compromising the shock-absorbing role of the exchange rate. To curb unproductive FX outflows, the regulator will continue to closely monitor outflows and limit FX securities trading.

Highlights

POLITICS AND ECONOMICS

- > IMF Approves USD 400mn Tranche to Ukraine

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	1139	-4.1%	27.5%
WIG20	2747	0.8%	25.3%
MSCI EM	1120	-1.0%	4.2%
MSCI Global	829	-1.5%	-1.4%
S&P 500	5581	-1.5%	-5.1%

FIXED INCOME

	Last	1W ch	YTD
NBU Key Rate	15.5%	0.0 p.p.	2.0 p.p.
UAH 1-year bond yield	16.4%	0.0 p.p.	1.3 p.p.
Ukraine-2029 yield	17.7%	0.8 p.p.	1.8 p.p.
Ukraine-2036 yield	14.7%	0.7 p.p.	0.3 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	41.65	-0.1%	-1.4%
EUR/UAH	45.10	-1.0%	1.8%

Source: Eavex Capital

IMF Approves USD 400mn Tranche to Ukraine

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NEWS

The IMF board completed a review that would enable disbursing USD 400mn to Ukraine for the central budget support.

The Ukrainian central budget deficit is projected at USD 38bn in 2025 (19.2% of GDP).

Thus, the total amount of disbursements under the current IMF program will be USD 10.1bn out of the total program amount of USD 15.5bn for the period of 2023-2027. The IMF program is part of an international support package for Ukraine of USD 148bn for 2023-2027.

Since the start of the full-scale Russian invasion, the IMF has been the third largest provider of financial assistance to Ukraine, after the European Union and the United States.

COMMENTARY

Ukraine's adherence to the IMF program underscores its commitment to structural reforms and continued access to external financial support. The reform agenda spans public finances, the financial sector, monetary and exchange rate policies, anti-corruption measures, and the energy sector.

Among key IMF statements, the lender highlighted ongoing negotiations on restructuring Ukraine's GDP warrants. These instruments are currently trading at 73 cents on the dollar, reflecting investor expectations of favorable restructuring terms. Holders are likely to be offered an exchange into certain sovereign Eurobond issues. In August 2024, GDP warrants traded at around 45 cents, while in February this year, prices peaked at 86 cents.

Updated IMF macroeconomic forecasts project Ukraine's GDP to grow 2.5% this year, accelerating to 4.5% in 2026, driven by stronger domestic consumption and investment. The IMF also expects exports to increase, potentially bringing the trade balance into positive territory. However, achieving a trade surplus remains a challenge.

The IMF forecasts inflation at 9% this year, moderating to 7% by 2026. Foreign direct investment is projected at 2.6% of GDP in 2025, rising to 4.0% in 2026 and 5.1% in 2027.

In absolute terms, FDI is expected to reach USD 5bn this year, but if reinvested earnings are included, the figure appears less impressive. According to the National Bank of Ukraine, net foreign investment inflows in 2024 totaled USD 3.5bn, with USD 2.4bn stemming from reinvested earnings.

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	58.4	-7.9%	-48.3%	451	350	25.5%	neg	6.9	5.1	3.2	0.4
Oil & Gas												
Enwell Energy (ex-Regal)	ENW	19.5	0.0%	-11.4%	81	-13	21.6%	3.2	2.7	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	6.10	0.0%	22.5%	653	1,822	33.7%	4.1	5.0	3.3	3.2	0.6
Kernel (FY23, FY24, FY25)	KER	20.80	2.5%	60.0%	1,581	2,176	5.4%	4.3	3.4	3.2	3.1	0.5
Astarta	AST	55.20	-6.4%	35.3%	349	507	37.0%	3.9	3.7	2.5	2.5	0.7
IMC	IMC	34.80	-0.3%	117.5%	320	334	18.3%	5.8	6.2	4.2	3.9	1.7
										Price/Book	Price/Assets	
Raiffeisen Bank Aval	BAVL	0.33	3.1%	32.0%	487		1.8%	4.9	5.0	0.8	0.7	0.10

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	5581	-1.5%	-5.1%								
Technology sector												
Apple	AAPL	218	0.0%	-14.8%	3,401	3,441	36	38	25	25	9	
Microsoft	MSFT	379	-3.1%	-11.9%	2,816	2,806	32	29	21	19	11	
NVIDIA	NVDA	110	-6.8%	-17.9%	2,694	2,664	41	32	36	28	18	
Palantir Technologies	PLTR	85.9	-5.6%	8.6%	187	183	375	234	305	204	45	
Electric Utilities												
American Electric Power	AEP	107	1.8%	15.7%	57	101	21.1	18.4	13.1	12.6	4.9	
Dominion Energy	D	55	0.7%	2.0%	46	89	19.3	18.5	13.3	12.5	5.9	
Oil & Gas												
Exxon Mobil	XOM	118	1.7%	10.8%	519	534	15.3	14.8	7.4	7.0	1.5	
Devon Energy	DVN	36.8	1.7%	17.9%	24	33	7.1	6.7	4.3	4.1	2.0	
PBF Energy	PBF	19	-8.7%	-25.2%	2.9	3.9	14.3	5.7	9.9	4.9	0.1	
Iron Ore Mining												
VALE	VALE	10.04	-0.3%	13.2%	43	55	4.6	4.3	3.6	3.2	1.2	
Pharmaceutical												
Pfizer	PFE	25.2	-4.2%	-5.3%	143	200	33.2	29.2	14.5	13.8	3.2	
Bristol-Myers Squibb	BMJ	60	-1.8%	4.0%	122	165	neg	18.7	32.3	13.3	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	652	933	850	99	69	110	15.2%	7.4%	12.9%	-85	-50	65	-13.0%	-5.4%	7.6%
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																
Centrenerg	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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