

Stock Market Update

Kyivstar Shares Trade Volatile on Nasdaq Debut Week

Kyivstar shares swung widely on Nasdaq last week, opening Monday at USD 12.33, climbing to USD 15 before closing Friday at USD 13.45. The company's market capitalization stands at USD 3.1bn. Kyivstar trades at an EV/EBITDA multiple of 5.9x and a P/E of 10.6x, broadly in line with the telecom sector's average P/E of 10.8x. Valuations suggest the stock is fairly priced, leaving room for movement in either direction.

Kyivstar Group began trading on Nasdaq under the ticker KYIV on August 15 through a SPAC merger. Parent company VEON retained an 89.6% stake after the deal closed. Kyivstar is the first company operating solely in Ukraine to list in the U.S. Kyivstar is Ukraine's biggest mobile operator with more than 24mn subscribers. Kyivstar recently announced the successful testing of Starlink Direct to Cell services, and plans to commercially launch satellite-powered Direct to Cell in Q4 2025, further enhancing its ability to deliver essential connectivity across Ukraine.

Other Ukrainian stocks with foreign listings also posted gains. Ferrexpo's market cap rose 6.4% to USD 457mn, though the stock remains down 50% year-to-date. Kernel (KER) advanced 7.6%, while Astarta (AST) fell 2.8%.

In the war news, The Pentagon has been quietly blocking Ukraine from using U.S.-made long-range Army Tactical Missile Systems (ATACMS) to strike targets inside Russia, limiting Kyiv's ability to employ these weapons in its defense against Moscow's invasion, the Wall Street Journal reported on Saturday, citing U.S. officials. Defense Secretary Pete Hegseth has final say over use of the long-range weapons, the Journal said. US president Donald Trump has given Moscow a two-week deadline to agree to peace talks with Ukraine's Volodymyr Zelensky, warning he will take further action if no progress is made.

Highlights

POLITICS AND ECONOMICS

- State Banks Hold 52.2% of Ukraine's Banking Assets as Sense Bank, Ukrgasbank Prepared for Sale

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

Kyiv. Ukraine.
 research@eavex.com.ua

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	1130	-3.0%	26.5%
WIG20	2881	-2.3%	31.4%
MSCI EM	1267	-0.4%	17.9%
MSCI Global	955	0.3%	13.6%
S&P 500	6467	0.3%	10.0%

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.	0.0 p.p.
Ukraine-2029 yield	20.7%	0.7 p.p.	4.8 p.p.
Ukraine-2036 yield	14.9%	0.6 p.p.	0.5 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	41.55	-0.1%	-1.7%
EUR/UAH	48.35	-0.6%	9.1%

Source: Eavex Capital

State Banks Hold 52.2% of Ukraine's Banking Assets as Sense Bank, Ukrgasbank Prepared for Sale

by Dmitry Churin
d.churin@eavex.com.ua

NEWS

Ukraine has 60 operating banks, including 7 state-owned and 14 foreign lenders. The share of state banks in total net assets fell for the first time in three quarters, down 1.1 percentage points in Q2 to 52.2%, driven by asset growth at private and foreign banks.

State-subsidized lending under the “Affordable Loans 5-7-9%” program remains significant, accounting for 29.3% of banks’ corporate hryvnia loan portfolios.

Corporate loan quality is still weak, with nonperforming loans (NPLs) making up 35.5%. Excluding legacy bad debts of state banks and claims against former PrivatBank owners, the NPL ratio drops to 16.1%, supported by growth in high-quality lending and write-offs at foreign banks.

COMMENTARY

The banking system remains a key stabilizer of the Ukrainian economy thanks to high liquidity and government-backed lending programs. With state banks holding over half of total assets — including 22.6% at the largest lender, PrivatBank — authorities are preparing to sell mid-sized state lenders Sense Bank and Ukrgasbank.

The privatization of Ukrgasbank was initiated before the war, but the success of any sale will depend on finding investors willing to pay a fair price amid wartime risks. If the sales of Sense Bank and Ukrgasbank proceed smoothly, the government could move on to PrivatBank’s privatization next.

As of end-June, Ukrainian banks’ net assets totaled UAH 3.5 trillion (USD 84bn), about 42% of GDP. Corporate loans accounted for just 11.3% of GDP, down from 25.8% in 2018, underscoring the sector’s shallow penetration compared to the global average of 70%. We assume this as a key growth opportunity for potential buyers of Sense Bank and Ukrgasbank.

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	56.6	6.4%	-49.9%	457	345	25.5%	3.8	2.7	2.0	1.5	0.3
Oil & Gas												
Enwell Energy (ex-Regal)	ENW	20.0	5.3%	-9.1%	87	-7	21.6%	3.5	2.9	na	na	na
Telecom												
Kyivstar	KYIV	13.45	9.1%	9.1%	3,105	3,545	21.7%	11.0	10.5	6.0	5.8	3.6
Agro sector												
MHP	MHPC	6.08	5.2%	22.1%	651	1,830	33.7%	4.5	5.4	3.2	4.1	0.6
Kernel (FY23, FY24, FY25)	KER	21.20	7.6%	63.1%	1,709	1,915	5.4%	4.6	6.1	2.8	4.7	0.5
Astarta	AST	49.40	-2.8%	21.1%	331	489	37.0%	3.7	3.5	2.4	2.4	0.7
IMC	IMC	27.40	1.9%	71.3%	267	281	18.3%	4.9	5.1	3.5	3.3	1.4
Banks										Price/Book		Price/Assets
Raiffeisen Bank Aval	BAVL	0.33	0.0%	32.0%	488		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	6467	0.3%	10.0%							
Technology sector											
Apple	AAPL	228	-1.7%	-10.9%	3,557	3,597	38	40	27	26	9
Microsoft	MSFT	507	-2.5%	17.9%	3,767	3,757	43	39	28	26	14
NVIDIA	NVDA	178	-1.1%	32.8%	4,359	4,329	67	53	58	46	30
Palantir Technologies	PLTR	158.7	-10.4%	100.7%	346	342	692	432	570	380	83
Electric Utilities											
American Electric Power	AEP	114	1.8%	23.2%	61	105	22.5	19.6	13.6	13.1	5.1
Dominion Energy	D	61.9	1.3%	14.8%	52	95	21.7	20.8	14.1	13.3	6.3
Oil & Gas											
Exxon Mobil	XOM	111	4.7%	4.2%	488	503	14.4	14.0	7.0	6.6	1.4
Devon Energy	DVN	35.2	4.5%	12.8%	23	32	6.8	6.4	4.2	4.0	2.0
PBF Energy	PBF	24.3	4.3%	-4.3%	3.6	4.7	18.2	7.3	11.8	5.9	0.1
Iron Ore Mining											
VALE	VALE	10.12	2.0%	14.1%	43	55	4.6	4.3	3.6	3.2	1.3
Pharmaceutical											
Pfizer	PFE	25.9	3.2%	-2.7%	147	204	34.2	30.0	14.8	14.1	3.3
Bristol-Myers Squibb	BMJ	47.9	-1.0%	-17.0%	97	140	neg	15.0	27.5	11.3	2.9

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%
Telecom																
Kyivstar	KYIV	915	919	990	604	592	610	66.0%	64.4%	61.6%	281	283	295	30.7%	30.8%	29.8%
Agro sector																
MHP	MHPC	3,021	3,046	3,150	445	566	450	14.7%	18.6%	14.3%	142	144	120	4.7%	4.7%	3.8%
Kernel (FY23, FY24, FY25E)	KER	3,455	3,800	4,200	544	680	410	15.7%	17.9%	9.8%	299	370	280	8.7%	9.7%	6.7%
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

Eavex Capital

7 Klovisky uzviz, 16th Floor
Carnegie Center
Kyiv, 01021, Ukraine

Telephone: +38 044 590 5454

E-mail: research@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

Chairman of the Board

SALES & TRADING

Pavel Korovitskiy

Managing Director

Equity and Fixed Income

p.korovitsky@eavex.com.ua

RESEARCH

Dmitry Churin

Head of Research

d.churin@eavex.com.ua

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