

Stock Market Update

Equity

Kyiv-listed stocks enjoyed a notable increase last week, with the approaching 3-day Easter weekend in Ukraine and local market closure on Monday (Apr 9) making short bets more risky. Market players took it as a positive sign that Ukraine remains on Washington's radar after US Republican Senator Robert Portman promised Javelin anti-tank missile systems and additional military support during his visit to Kyiv, although it remains unclear how much Ukraine will have to pay for this hardware.

The UX index gained 3.0% for the week to close at 1732 points. Motor sich (MSICH) remained the growth driver for the gauge, gaining a solid 3.1% to UAH 5300 amid persistent demand from an unidentified large buyer. CentrEnergO (CEEN) picked up 4.1% to UAH 19.90 as investors are now waiting for an announcement of the ex-rights date for the stock's UAH 3.84 per share dividend. Raiffeisen Bank Aval (BAVL) added 3.5% to 34.70 kopecks with the stock still showcasing a rather attractive P/E multiple of 4.9x. UkrNafta (UNAF) edged up 3.6% after a statement that the company managed to repay UAH 300mn out of its enormous UAH 11.9bn tax debt in 1Q18. The stock closed at UAH 110 per share.

London-listed Regal Petroleum (RPT) shot up by 12% to GBp 24.00 after the company reported its FY17 financials showing a 50% YoY rise in EBITDA to USD 17mn. Ferrexpo (FXPO) continued to suffer from the worsening iron ore price outlook after the US threatened trade restrictions against Chinese steel. The stock fell 9.7% last week to GBp 220.

In Warsaw trading, Astarta (AST) slipped 0.6% to PLN 47.70 despite the company obtaining new support from international lender IFC, which provided a USD 30mn long term loan. Kernel (KER) inched up by 0.2% to PLN 50.10.

The hryvnia strengthened by 1.0% to 26.00 UAH/USD after news that the country's foreign reserves remained above USD 18mn level despite a moderate decline of 1.2% in March after the government's semi-annual Eurobond coupon payouts. The National Bank said it was able to purchase USD 510mn on the interbank market last month from sellers of foreign currencies. The reserves potentially cover around 3.4 months of the country's imports.

Highlights

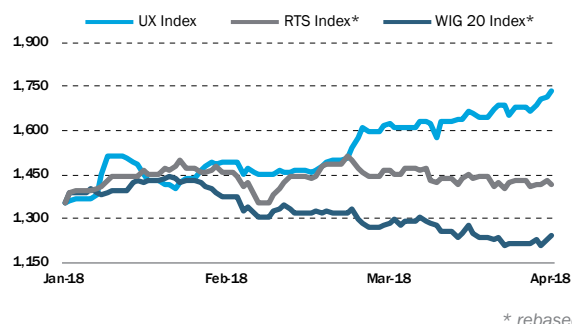
POLITICS AND ECONOMICS

- > Ukraine's Top 2 Anti-Corruption Officials at War with Each Other

STOCKS IN THE NEWS

- > Regal Petroleum Lifts Full-Year EBITDA by 51% YoY to USD 17mn
- > Ferrexpo's Pellet Output Down 1.5% YoY in 1Q18

STOCK MARKET PERFORMANCE

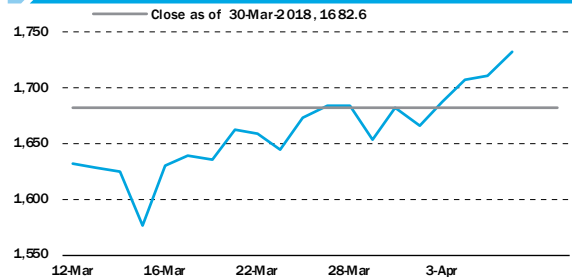


* rebased

MARKET INDEXES

| | Last | 1W ch | 1M ch | YTD |
|---------|--------|-------|-------|-------|
| UX | 1732.5 | 3.0% | 6.8% | 27.1% |
| RTS | 1236.5 | -1.0% | -3.5% | 7.1% |
| WIG20 | 2258.8 | 2.2% | -3.4% | -8.2% |
| MSCI EM | 1162.0 | -0.8% | -2.7% | 0.3% |
| S&P 500 | 2604.5 | -1.4% | -4.5% | -2.6% |

UX 1M PERFORMANCE



FIXED INCOME

| | Last | 1W ch | 1M ch | YTD |
|--------------|-------|-----------|-----------|-----------|
| EMBI+Global | 319 | -2.0% | 2.5% | 2.7% |
| NBU Key Rate | 17.0% | 0.0 p.p. | 0.0 p.p. | 2.5 p.p. |
| Ukraine-19 | 4.6% | -2.4 p.p. | -2.0 p.p. | 0.1 p.p. |
| Ukraine-27 | 7.3% | -0.1 p.p. | 0.0 p.p. | 0.0 p.p. |
| MHP-20 | 3.5% | 0.0 p.p. | -0.9 p.p. | -0.6 p.p. |
| UZ Rail-21 | 6.1% | 0.0 p.p. | 0.1 p.p. | -0.3 p.p. |

CURRENCY

| | Last, UAH | 1W ch | 1M ch | YTD |
|-----|-----------|-------|-------|-------|
| USD | 26.01 | -1.0% | -1.3% | -7.5% |
| EUR | 31.93 | -1.5% | -2.7% | -5.2% |
| RUB | 0.45 | -3.4% | -3.5% | -8.0% |

COMMODITIES

| | Last | 1W ch | 1M ch | YTD |
|---------------|--------|-------|-------|-------|
| Wheat, USD/t* | 200.5 | 0.0% | 0.5% | 11.7% |
| Steel, USD/t | 520.0 | -1.9% | -2.8% | 0.0% |
| Oil, USD/bbl | 67.1 | -3.2% | 2.4% | 0.4% |
| Gold, USD/oz | 1333.7 | 0.7% | -0.1% | 2.3% |

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Ukraine's Top 2 Anti-Corruption Officials at War with Each Other

by Will Ritter
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NEWS

A simmering conflict between the heads of Ukraine's two most important corruption-fighting bodies burst into the open last week when it emerged that the main corruption investigation body had placed the top anti-corruption prosecutor's office under electronic surveillance. The English-language Kyiv Post and other domestic media reported that the country's Special Anti-Corruption Prosecutor (SAP) Nazar Kholodnytskiy was accused by head of the National Anti-Corruption Bureau (NABU) Artem Sitnyk of suppressing cases against high profile figures including Odessa mayor Gennadiy Truxanov, troubled agro-industrialist Oleg Bakmatiuk, and energy industry magnate Constantine Grigorishin. NABU publicly released the surveillance recordings on Apr 4 and they were widely distributed in domestic media. The most serious accusation from Sitnyk is that Kholodnytskiy warned Truxanov about upcoming investigative searches in a UAH 100mn embezzlement case, allowing Truxanov to prepare in advance and flee abroad. Recordings indicate that Kholodnytskiy told a subordinate prosecutor in February that Truxanov "is holding Odessa by the [expletive] and he's making sure it stays in Ukraine... who [expletive] knows what will happen if someone else replaces him?" Ukraine's General Prosecutor Yuriy Lutsenko had already called for Kholodnytskiy's firing ahead of the release of the recordings on Mar 30. Kholodnytskiy admitted that the recordings are authentic but said they were edited to remove the context of his statements.

COMMENTARY

It looks somewhat surprising that the Poroshenko administration (via Lutsenko) has sided with NABU and against Kholodnytskiy in this matter, as it has generally seemed that the latter is much more sympathetic to, and susceptible to influence from, the presidential administration. Under Sitnyk, NABU has earned an impressive reputation for pursuing suspects and has riled the administration with several high-profile investigations, most notably that of Ukraine's top tax official Roman Nasirov last year. However, the SAP under Kholodnytskiy has not followed up the arrests with convictions. Clearly it looks very bad to Ukraine's Western supporters that two key officials who were appointed to cooperate in fighting corruption have quickly become implacable enemies of each other. However, we find Kholodnytskiy's statement about Truxanov "keeping Odessa in Ukraine" particularly intriguing, as it supports our long-held view that Ukraine's major Russian-speaking cities are still vulnerable to pro-Russian separatism; what is keeping the separatist threat in check are the Poroshenko administration's unpublicized power-sharing deals with local elites. That these elites such as Truxanov are spectacularly corrupt is a high price to pay for national unity, but (as Kholodnytskiy so eloquently stated), the alternative might well be worse.

Regal Petroleum Lifts Full-Year EBITDA by 51% YoY to USD 17mn

by Dmitry Churin
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REGAL PETROLEUM (RPT LN)

Price: GBp 24.00 Market Cap: USD 109mn

| | EV/S | P/E | EV/EBITDA | Div. Yield |
|-------|------|------|-----------|------------|
| 2017 | 2.4 | 47.6 | 4.8 | 0% |
| 2018E | 1.7 | 21.8 | 4.4 | 0% |

NEWS

London-listed, Ukraine-focused hydrocarbons extractor Regal Petroleum increased its EBITDA by 51% YoY to USD 17.4mn in full-year 2017 on the back of a rise in revenue of 37% YoY to USD 35.1mn, according to the company's financial results released on Apr 3. The bottom line returned to positive territory with a net profit of USD 2.3mn in FY17 after a net loss of USD 1.3mn a year earlier.

On the balance sheet side, Regal reported cash and cash equivalents of USD 14.3mn and zero debt as of 31 Dec 2017. The company's total assets grew by 5.5% to USD 68mn.

REGAL FINANCIAL RESULTS

| USD mn | FY17 | FY16 | YoY |
|---------------|-------|-------|------------|
| Net revenue | 35.1 | 25.7 | +36.6% |
| EBITDA | 17.4 | 11.5 | +51.4% |
| EBITDA margin | 49.8% | 44.9% | +4.9 p.p. |
| Net profit | 2.3 | -1.3 | +/- |
| net margin | 6.5% | -4.9% | +11.4 p.p. |

Source: Company data.

COMMENTARY

Regal was able to report a moderate net profit after two years of losses. However, the company's results were nonetheless hit by a harsh income tax of USD 4.3mn, which implied an effective tax rate of 65%. The tax charge for the year comprises a current tax charge of USD 3.0mn and a deferred tax charge of USD 1.3mn.

On the operational side, Regal raised its output impressively to some 2,800 boepd in 2017 from approximately 1,700 boepd in 2016. The average sale price for natural gas rose by 13% YoY to USD 241 per 1,000 cubic meters. Indeed, given the strong increase in output (more than 60%) and the double-digit gain in achieved pricing, it looks odd that annual revenue was up by only 37%.

Sales of natural gas accounted for 70% of the company's revenue. The remainder came from sales of condensate and liquefied petroleum Gas; Regal did not report any revenue from oil sales.

Surprisingly, Regal did not conduct a new reserve assessment for its main fields (MEX-GOL and SV), reporting only old figures from 2013. The company's 2P Reserves (Proved + Probable) for these fields were estimated at 11.7mn boe as of 31 Dec 2013. The company produced 2.0mn boe from these fields during 2014-2017. Separately, Regal said that the 2P Reserves at its VAS field are now estimated at just 1.8mn boe as of 1 Jan 2016. We believe that due to the decrease in oil&gas production tax in Ukraine, the company's 2P Reserves could grow substantially after a new assessment. ERC Equipoise, an independent petroleum consultant, previously estimated that Regal's Contingent Resources of the MEX-GOL and SV fields could be as much as 119mn boe based on the potential drilling of up to 113 future wells (not currently budgeted).

We forecast that Regal Petroleum will increase its revenue by 40% YoY to USD 49mn in full-year 2018 and that its net profit will double to USD 5.0mn. Eavex Capital has a BUY recommendation for RPT stock with a target price of GBp 30.00 per share, implying an upside of 32%.

Ferrexpo's Pellet Output Down 1.5% YoY in 1Q18

by Dmitry Churin
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FERREXPO (FXPO LN)

Price: GBp 220 Market Cap: USD 1832mn

| | P/B | EV/S | P/E | EV/EBITDA | Div. Yield |
|-------|-----|------|-----|-----------|------------|
| 2017 | 3.9 | 1.9 | 4.7 | 4.1 | 5.3% |
| 2018E | 2.1 | 1.8 | 4.4 | 3.9 | 3.2% |

NEWS

Ferrexpo, Ukraine's largest iron ore pellet exporter, decreased its pellet production by 1.5% YoY to 2.59mn tonnes in 1Q18, according to the company's operational update dated Apr 5. The output of top-value-added 65 percent Fe pellets declined by 1.5% YoY to 2.44mn tonnes, accounting for 94% of total production in the period. In a quarter-on-quarter basis, the company reported a 7.4% decline which it attributed to seasonal factors.

FERREXPO PRODUCTION FIGURES

| 000' tonnes | 1Q18 | 1Q17 | Change YoY |
|------------------------|----------|---------|------------|
| Total Pellets Produces | 2,585 | 2,624 | -1.5% |
| - 62% Fe pellets | 149.90 | 151.60 | -1.1% |
| - 65% Fe pellets | 2,435.30 | 2472.40 | -1.5% |

Source: Companies' data

COMMENTARY

It looks somewhat disappointing to us that Ferrexpo was unable to increase its production volumes in 1Q18. The company previously said that it had finished maintenance of its main production line in 2H17. Therefore we assumed that output would start to increase this year in comparison with 2017. On the other hand, Ferrexpo faces much larger difficulties than this moderate output decline, as falling iron ore prices in recent months have hurt the business. Iron ore has fallen into a bear market as worries about trade hostilities between the US and China add to concerns about supply expansions and a slowdown in China's steel industry. Prices have dropped by nearly 20% since the beginning of March with the benchmark 62 percent Fe ore prices sliding to around USD 63 per tonne amid high inventories at Chinese ports.

In full-year 2017, Ferrexpo produced 10.4mn tonnes of pellets, making it the third-largest global exporter of pellets to the international steel industry with a market share of about 8.5%.

The Ferrexpo stock sold off by a further 9.7% in London last week to GBp 220 per share, down from its local maximum above GBp 300.

Ferrexpo-2019 Eurobonds are currently quoted at 102.7/103.6 (7.6%/6.5%). In our view, the company has missed the window to refinance its outstanding Eurobonds at a lower cost, as the current outlook for iron ore prices will prompt investors to demand a fatter coupon in case Ferrexpo announces an intention to tap the market with new Eurobond issue.

EAVEX RECOMMENDATIONS

| Name | Ticker | Price, per share | Target price, per share | Upside, % | Rating | Commentary |
|------------------------------|---------|------------------|-------------------------|-----------|--------|---|
| Agriculture | | | | | | |
| Kernel | KER PW | 50.2 | 82.0 | 63% | BUY | With on-demand borrowing access, Kernel is well placed to further consolidate its position in the oilseed crushing industry. The company reported that its sunflower oil sales in bulk rose by 29.4% YoY to some 508,000 tonnes in July-December 2017. The company aims to achieve EBITDA of USD 500mn by 2021. |
| MHP | MHPC LI | 13.5 | 16.5 | 22% | BUY | MHP could start process of deleveraging which in turn would boost the company's MCap. Also the company has a declared strategy to expand its presence on the MENA and EU markets. MHP continued to increase its export sales. MHP also reported that its poultry exports rose 16% YoY to near 221,000 tonnes in 2017, accounting for 41% of total sales volume, up from a share of 36% a year before. |
| Astarta | AST PW | 46.0 | 70.0 | 52% | BUY | Astarta is focused on business diversification and cost optimization via improving its energy and operational efficiency. We expect the company to increase sales by 12% in FY18. |
| Agroton | AGT PW | 5.21 | 12.0 | 130% | BUY | Agroton unveiled a strategy to increase its land bank from 122,000 ha to 200,000 ha by mid-2019 securing additional lease rights and by acquiring companies that control land plots in Luhansk and Kharkiv region. |
| IMC | IMC PW | 13.2 | 13.0 | -2% | HOLD | The recent changes in Ukraine's tax legislation are positive for IMC, which is focused growing exportable crops; some 95% of the company's revenue is tied to the dollar. Land bank is targeted to expand by 50% over 2015-20. A high standard of corporate governance makes the stock an attractive play in spite of its low liquidity. |
| AvangardCo | AVGR LI | 0.4 | 0.3 | -23% | SELL | Avangardco's revenue fell by 33% YoY in FY17 despite an increase in egg sales volume by 23% YoY. We attribute this negative development to weak results in the value-added egg powder segment. Avangardco said that its egg product sales volume had plunged by 64% YoY to some 3300 tonnes, with the average pricing dropping by 23% YoY to USD 4.30/kg. |
| Ovostar Union | OVO PW | 94.0 | 110.0 | 17% | HOLD | The company has a strong focus on domestic branded egg sales and successfully expands its export sales to mitigate negative effect from devaluation. Ovostar is in the midst of a long-term expansion that will ultimately see egg output triple over 2012-18E. |
| Iron Ore | | | | | | |
| Ferrexpo | FXPO LN | 217 | 350 | 61% | HOLD | An impressive reduction in the production and other operating cost led to higher profitability. A separate positive factor was an upward price trend for iron ore and steel on global markets. |
| Specialized Machinery | | | | | | |
| Motor Sich | MSICH | 5298 | 6750 | 27% | BUY | The reported profit for 9M17 represents UAH 1240 per share, which means the stock is still valued at P/E of barely more than 3.0x. Our base case scenario forecast for Motor Sich's net profit for FY17 is UAH 3.0bn, implying EPS of UAH 1440. |
| Oil & Gas | | | | | | |
| UkrNafta | UNAF | 111 | 270 | 144% | BUY | UkrNafta's fundamental value should see an immediate jump after the company reaches a deal with the government on restructuring its huge UAH 12bn tax debt. We believe that with the state owning a 50% stake in UkrNafta, the resolution of the tax debt issue is only a matter of time. |
| Concern Galnaftogaz | GLNG | 0.15 | 0.24 | 60% | BUY | Galnaftogaz is pursuing a plan to aggressively expand its filling station network. |
| Regal Petroleum | RPT LN | 22.8 | 30.0 | 32% | BUY | The RPT stock has been enjoying aggressive buying from an unidentified investor since the start of the year. From the chart point of view, the stock hit a local maximum of GBP 31, and we believe that this peak is likely to be repeated sometime before the end of 2018. |
| JKX Oil & Gas | JKX LN | 24.5 | 23.0 | -6% | HOLD | The company's balance sheet looks healthy after it successfully restructured its Eurobonds. An overall demand for natural gas in Ukraine remains strong. |
| Power Utilities | | | | | | |
| DonbasEnergO | DOEN | 17.9 | 9.0 | -50% | SELL | The Donetsk separatist government has nationalized DonbasEnergO's Starobeshevo power plant, which previously accounted for about 70% of the company's installed power-generating capacity. |
| CenterEnergO | CEEN | 19.90 | 25.60 | 29% | BUY | CentrEnergO posted net profit of UAH 5.12 per share in FY17, and the company is likely to distribute 75% of this profit in shareholder dividends. CentrEnergO's privatization has repeatedly been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity. |
| Banks | | | | | | |
| Raiffeisen Bank Aval | BAVL | 0.347 | 0.47 | 35% | BUY | Raiffeisen Aval's FY17 net profit came in at a record high of UAH 4.5bn (USD 170mn), implying earnings per share of 7.27 kopecks, most of which is likely to be paid out; our expectation is a 6.90 kopeck dividend. Based on the recent case of Raiffeisen Aval's close peer UkrSibBank, which conducted a share squeeze-out at a valuation of 6.5x P/E, we estimate Raiffeisen Aval's fair value at 47 kopecks per share. |

Source: Eavex Research

| PRICES AND QUOTES | | | | | | | | | | | | |
|------------------------------|--------|-------------|---------------|--------------|-------|----------------------|--------|--------|--------------------------------------|--------|--------|--------|
| Name | Ticker | Today, UAH* | 52 high, UAH* | 52 low, UAH* | 1W | Absolute performance | | | Performance relative to the UX index | | | |
| | | | | | | 1M | 3M | YtD | 1W | 1M | 3M | YtD |
| UX Index | UX | 1732.50 | 1732.50 | 913.99 | 3.0% | 6.8% | 26.8% | 27.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| Iron Ore Mining | | | | | | | | | | | | |
| Ferrexpo | FXPO | 220.50 | 323.20 | 137.20 | -9.7% | -30.0% | -25.6% | -24.8% | -8.7% | -12.7% | -36.9% | -51.9% |
| Railcar Manufacturing | | | | | | | | | | | | |
| Kryukiv Wagon | KVBZ | 12.70 | n/a | n/a | 1.2% | -4.6% | 21.0% | 21.1% | -1.8% | -11.4% | -5.8% | -6.0% |
| Specialized Machinery | | | | | | | | | | | | |
| Motor Sich | MSICH | 5298 | 5330 | 1951 | 3.1% | 15.6% | 42.4% | 43.2% | 0.1% | 8.7% | 15.7% | 16.1% |
| Turboatom | TATM | 13.90 | n/a | n/a | 0.9% | 3.0% | 7.3% | 5.6% | -2.0% | -3.9% | -19.4% | -21.5% |
| Telecom | | | | | | | | | | | | |
| Ukrtelecom | UTLM | 0.181 | n/a | n/a | 0.6% | 9.7% | 20.7% | 21.5% | -2.4% | 2.9% | -6.1% | -5.6% |
| Oil & Gas | | | | | | | | | | | | |
| Regal Petroleum | RPT | 24.00 | 25.50 | 3.17 | 11.6% | 39.1% | 80.5% | 242.6% | -7.1% | 8.7% | 32.3% | 215.5% |
| JKX Oil | JKX | 25.00 | 26.50 | 11.00 | 11.6% | 25.0% | 112.8% | 127.3% | -0.5% | 8.6% | 18.2% | 100.2% |
| Ukrnafta | UNAF | 110.6 | n/a | n/a | 3.6% | -0.7% | -21.2% | -21.6% | 0.6% | -7.6% | -48.0% | -48.7% |
| Power Utilities | | | | | | | | | | | | |
| Centrenergo | CEEN | 19.90 | 19.90 | 9.91 | 4.1% | 5.5% | 56.1% | 57.0% | 1.1% | -1.3% | 29.3% | 29.9% |
| Donbasenergo | DOEN | 17.94 | n/a | n/a | -4.1% | -5.6% | -2.2% | -1.7% | -7.0% | -12.5% | -28.9% | -28.8% |
| Consumer | | | | | | | | | | | | |
| Agroton | AGT | 5.38 | 7.70 | 3.74 | -1.3% | -4.8% | 18.2% | 17.5% | -1.6% | -4.3% | -11.6% | -9.6% |
| Astarta | AST | 47.70 | 72.00 | 47.40 | -0.6% | -8.6% | -12.6% | -7.4% | -1.3% | -3.6% | -15.5% | -34.5% |
| Avangardo | AVGR | 0.39 | 1.00 | 0.33 | 11.4% | 18.2% | 11.4% | 8.3% | -1.3% | 8.5% | 11.3% | -18.8% |
| Industrial Milk Company | IMC | 13.20 | 13.90 | 9.76 | 0.0% | 0.0% | 5.2% | 5.8% | -1.3% | -3.0% | -6.8% | -21.3% |
| Kernel | KER | 50.10 | 71.00 | 45.51 | 0.2% | 3.1% | 1.6% | 5.4% | -1.9% | -2.8% | -3.8% | -21.7% |
| MHPC | MHPC | 13.70 | 15.45 | 9.55 | 0.4% | 1.5% | 10.9% | 19.1% | -0.2% | -2.6% | -5.4% | -8.0% |
| Milkiland | MLK | 1.35 | 2.25 | 1.33 | -1.5% | -6.9% | -15.1% | -12.3% | -2.0% | -4.4% | -13.7% | -39.4% |
| Ovostar Union | OVO | 93.00 | 128.05 | 88.00 | 0.0% | -1.1% | 1.1% | 5.7% | -1.3% | -3.0% | -7.9% | -21.4% |
| Banks | | | | | | | | | | | | |
| Raiffeisen Bank Aval | BAVL | 0.347 | n/a | n/a | 3.5% | 5.3% | 20.6% | 18.4% | 0.5% | -1.6% | -6.1% | -8.7% |

Source: Bloomberg
* companies listed abroad are in traded currency

MAIN FINANCIAL FORECASTS, USD mn

| Name | Ticker | Net Sales | | | EBITDA | | | EBITDA margin | | | Net Profit | | | Net Profit margin | | |
|------------------------------|--------|--------------|-------|-------|--------------|-------|-------|---------------|-------|-------|------------|-------|-------|-------------------|--------|-------|
| | | 2016 | 2017E | 2018E | 2016 | 2017E | 2018E | 2016 | 2017E | 2018E | 2016 | 2017E | 2018E | 2016 | 2017E | 2018E |
| Iron Ore Mining | | | | | | | | | | | | | | | | |
| Ferrexpo | FXPO | 986 | 1,197 | 1,257 | 375 | 551 | 579 | 38.0% | 46.0% | 46.0% | 189 | 394 | 414 | 19.2% | 32.9% | 32.9% |
| Railcar Manufacturing | | | | | | | | | | | | | | | | |
| Kryukiv Wagon | KVBZ | 67 | 55 | 60 | 1 | 6 | 7 | 0.9% | 11.0% | 12.4% | -4 | 2 | 3 | -5.9% | 3.3% | 4.2% |
| Specialized Machinery | | | | | | | | | | | | | | | | |
| Turboatom | TATM | 98 | 99 | 102 | 33 | 35 | 35 | 34.0% | 35.2% | 34.6% | 27 | 28 | 28 | 28.0% | 27.8% | 27.5% |
| Motor Sich | MSICH | 414 | 426 | 464 | 166 | 153 | 138 | 40.1% | 35.8% | 29.8% | 77 | 114 | 96 | 18.6% | 26.7% | 20.6% |
| Oil & Gas | | | | | | | | | | | | | | | | |
| Ukrnafta | UNAF | 885 | 1,079 | 1,121 | 116 | 151 | 163 | 13.1% | 14.0% | 14.5% | -343 | 74 | 81 | -38.7% | 6.8% | 7.3% |
| Regal Petroleum | RPT | 26 | 35 | 49 | 12 | 17 | 19 | 44.9% | 49.8% | 38.7% | 0 | 2 | 5 | na | 6.5% | 10.2% |
| JKX Oil | JKX | 80 | 82 | 88 | 29 | 18 | 29 | 36.3% | 22.0% | 33.0% | -20 | -12 | 1 | -25.0% | -14.6% | 1.1% |
| Electric Utilities | | | | | | | | | | | | | | | | |
| Centrenergo | CEEN | 419 | 505 | 569 | 46 | 94 | 106 | 11.1% | 18.6% | 18.6% | 15 | 71 | 78 | 3.6% | 14.1% | 13.8% |
| Donbasenergo | DOEN | 157 | 147 | 116 | 7 | 8 | 8 | 4.4% | 5.8% | 6.5% | -2 | 1 | 1 | -1.1% | 1.0% | 0.6% |
| Consumer | | | | | | | | | | | | | | | | |
| MHP | MHPC | 1,135 | 1,289 | 1,456 | 415 | 549 | 550 | 36.6% | 42.6% | 37.8% | 59 | 230 | 327 | 5.2% | 17.8% | 22.5% |
| Kernel | KER | 1,989 | 2,169 | 2,711 | 346 | 319 | 346 | 17.4% | 14.7% | 12.8% | 225 | 176 | 238 | 11.3% | 8.1% | 8.8% |
| Astarta | AST | 402 | 475 | 551 | 167 | 176 | 197 | 41.6% | 37.0% | 35.8% | 90 | 104 | 112 | 22.4% | 21.9% | 20.4% |
| Avangardco | AVGR | 191 | 130 | 127 | 1 | 12 | 15 | 0.4% | 9.1% | 11.8% | -57 | -8 | -5 | -29.6% | -5.8% | -3.9% |
| Ovostar | OVO | 84 | 80 | 87 | 40 | 15 | 20 | 47.7% | 19.2% | 23.4% | 35 | 10 | 14 | 41.8% | 12.5% | 16.1% |
| Banks | | | | | | | | | | | | | | | | |
| | | Total Assets | | | Total Equity | | | Total Income | | | Net Profit | | | Return on Equity | | |
| Raiffeisen Bank Aval | BAVL | 2,113 | 2,080 | 2,050 | 381 | 398 | 342 | 192 | 228 | 236 | 150 | 164 | 236 | 39.4% | 41.3% | 69.2% |

Source: Eavex Research

MAIN TRADING MULTIPLES

| Name | Ticker | MCap USD mn | Free Float % USD mn | EV USD mn | P/E | | | EV/EBITDA | | | EV/Sales | | | |
|------------------------------|--------|----------------|------------------------|--------------|-------|-------|-------|-----------|--------|-------|----------|----------|-------|------|
| | | | | | 2016 | 2017E | 2018E | 2016 | 2017E | 2018E | 2016 | 2017E | 2018E | |
| Iron Ore Mining | | | | | | | | | | | | | | |
| Ferrexpo | FXPO | 1,836 | 24.0% | 441 | 2,239 | 9.7 | 4.7 | 4.4 | 6.0 | 4.1 | 3.9 | 2.3 | 1.9 | 1.8 |
| Railcar Manufacturing | | | | | | | | | | | | | | |
| Krukiv Wagon | KVBZ | 55 | 5.0% | 3 | 50 | neg | >30 | 21.8 | >30 | 8.3 | 6.8 | 0.8 | 0.9 | 0.8 |
| Specialized Machinery | | | | | | | | | | | | | | |
| Turboatom | TATM | 224 | 5.8% | 13 | 138 | 8.1 | 8.1 | 8.0 | 4.1 | 3.9 | 3.9 | 1.4 | 1.4 | 1.4 |
| Motor Sich | MSICH | 419 | 24.0% | 101 | 380 | 5.4 | 3.7 | 4.4 | 2.3 | 2.5 | 2.8 | 0.9 | 0.9 | 0.8 |
| Oil & Gas | | | | | | | | | | | | | | |
| Ukrnafta | UNAF | 228 | 3.0% | 7 | 213 | neg | 3.1 | 2.8 | 1.8 | 1.4 | 1.3 | 0.2 | 0.2 | 0.2 |
| Regal Petroleum | RPT | 109 | 21.6% | 24 | 84 | n/a | >30 | 21.8 | 7.3 | 4.8 | 4.4 | 3.3 | 2.4 | 1.7 |
| JKX Oil & Gas | JKX | 61 | 50.4% | 31 | 169 | neg | neg | >30 | 5.8 | 9.4 | 5.8 | 2.1 | 2.1 | 1.9 |
| Electric Utilities | | | | | | | | | | | | | | |
| CentrEnergO | CEEN | 280 | 21.7% | 61 | 239 | 18.4 | 3.9 | 3.6 | 5.2 | 2.6 | 2.3 | 0.6 | 0.5 | 0.4 |
| DonbasEnergO | DOEN | 16 | 14.2% | 2 | 30 | neg | 11.0 | 22.2 | 4.4 | 3.6 | 4.0 | 0.2 | 0.2 | 0.3 |
| Consumer | | | | | | | | | | | | | | |
| MHP | MHPC | 1,448 | 34.1% | 494 | 2,452 | 24.5 | 6.3 | 4.4 | 5.9 | 4.5 | 4.5 | 2.2 | 1.9 | 1.7 |
| Kernel | KER | 1,172 | 61.8% | 724 | 1,668 | 5.2 | 6.7 | 4.9 | 4.8 | 5.2 | 4.8 | 0.8 | 0.8 | 0.6 |
| Astarta | AST | 350 | 37.0% | 130 | 460 | 3.9 | 3.4 | 3.1 | 2.8 | 2.6 | 2.3 | 1.1 | 1.0 | 0.8 |
| Avangardco | AVGR | 25 | 22.5% | 6 | 356 | neg | neg | neg | >30 | >30 | 23.8 | 1.9 | 2.7 | 2.8 |
| Ovostar | OVO | 164 | 25.0% | 41 | 166 | 4.7 | 16.4 | 11.7 | 4.1 | 10.8 | 8.1 | 2.0 | 2.1 | 1.9 |
| Banks | | | | | | | | | | | | | | |
| | | | | | | P/E | | | P/Book | | | P/Assets | | |
| Raiffeisen Bank Aval | BAVL | 813 | 1.8% | 15 | | 5.4 | 4.9 | 4.7 | 2.1 | 2.0 | 2.4 | 0.38 | 0.39 | 0.40 |

Source: Eavex Research

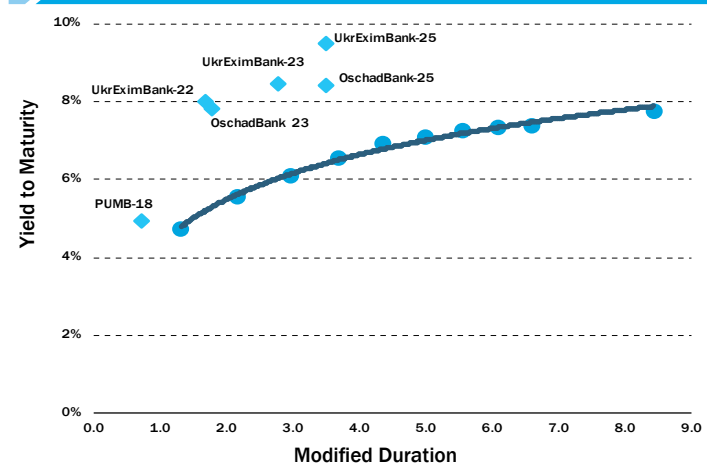
UKRAINIAN EUROBONDS

| Issue | Price (Bid) | Price (Ask) | YTM (Bid) | YTM (Ask) | Price chg. (YTD) | Modified Duration | Coupon | Coupon Period | Maturity Date | Volume USD mn | Ratings ¹ |
|----------------------------|-------------|-------------|------------|------------|------------------|-------------------|---------|---------------|---------------|---------------|----------------------|
| Sovereign Eurobonds | | | | | | | | | | | |
| Ukraine, 2019 | 104.0 | 104.5 | 4.7% | 4.3% | -1.0% | 1.3 | 7.75% | S/A | 1 Sept 2019 | 1,744 | Caa2/B-/B- |
| Ukraine, 2020 | 104.6 | 105.2 | 5.7% | 5.4% | -1.3% | 2.2 | 7.75% | S/A | 1 Sept 2020 | 1,780 | Caa2/B-/B- |
| Ukraine, 2021 | 105.3 | 105.8 | 6.0% | 5.8% | -1.1% | 2.9 | 7.75% | S/A | 1 Sept 2021 | 1,409 | Caa2/B-/B- |
| Ukraine, 2022 | 105.0 | 105.5 | 6.4% | 6.3% | -1.3% | 3.7 | 7.75% | S/A | 1 Sept 2022 | 1,384 | Caa2/B-/B- |
| Ukraine, 2023 | 104.3 | 105.0 | 6.8% | 6.6% | -1.7% | 4.3 | 7.75% | S/A | 1 Sept 2023 | 1,355 | Caa2/B-/B- |
| Ukraine, 2024 | 103.8 | 104.6 | 7.0% | 6.9% | -1.2% | 5.0 | 7.75% | S/A | 1 Sept 2024 | 1,339 | Caa2/B-/B- |
| Ukraine, 2025 | 103.6 | 104.3 | 7.1% | 7.0% | -0.5% | 5.5 | 7.75% | S/A | 1 Sept 2025 | 1,329 | Caa2/B-/B- |
| Ukraine, 2026 | 103.3 | 104.0 | 7.2% | 7.1% | 0.2% | 6.1 | 7.75% | S/A | 1 Sept 2026 | 1,318 | Caa2/B-/B- |
| Ukraine, 2027 | 103.0 | 103.7 | 7.5% | 7.3% | -0.1% | 6.6 | 7.75% | S/A | 1 Sept 2027 | 1,307 | Caa2/B-/B- |
| Ukraine, 2032 | 97.4 | 98.2 | 7.7% | 7.6% | -0.6% | 8.4 | 7.375% | S/A | 25 Sept 2032 | 3,000 | //B- |
| Ukraine, GDP-linked (VRI) | 70.0 | 71.0 | n/a | n/a | 27.9% | n/a | 0.00% | S/A | 31 May 2040 | 3,214 | /B-/ |
| Corporate Eurobonds | | | | | | | | | | | |
| Agroton, 2019 | 16.0 | 20.6 | 252% | 204% | -12.8% | 0.6 | 6.00% | S/A | 14 Jul 2019 | 18 | // |
| Kernel, 2022 | 107.6 | 108.3 | 6.5% | 6.3% | -2.8% | 3.2 | 8.75% | S/A | 31 Jan 2022 | 500 | /B/B+ |
| MHP, 2020 | 108.6 | 109.5 | 3.7% | 3.3% | 0.2% | 1.8 | 8.25% | S/A | 2 Apr 2020 | 750 | /B-/B- |
| MHP, 2024 | 106.6 | 107.1 | 6.4% | 6.3% | -1.0% | 4.7 | 7.75% | S/A | 10 May 2024 | 500 | // |
| Avangardco, 2018 | 19.7 | 23.2 | n/a | n/a | -11.3% | 0.1 | 10.00% | S/A | 29 Oct 2018 | 206 | // |
| UkrLandFarming, 2018 | 21.0 | 22.4 | n/a | n/a | 4.4% | n/a | 10.88% | S/A | 26 Mar 2018 | 500 | /CC/ |
| Mriya, 2016 | 7.0 | 9.0 | n/a | n/a | n/a | n/a | 10.95% | S/A | 30 Mar 2016 | 72 | IN DEFAULT |
| Mriya, 2018 | 7.5 | 9.5 | n/a | n/a | n/a | n/a | 9.45% | S/A | 19 Apr 2018 | 400 | IN DEFAULT |
| DTEK, 2024 | 108.1 | 108.9 | 9.0% | 8.9% | 1.1% | 4.6 | 10.75% | S/A | 31 Dec 2024 | 1,275 | // |
| Metinvest, 2021 | 104.8 | 105.5 | n/a | n/a | 13.0% | n/a | 9.37% | S/A | 31 Dec 2021 | 1,197 | //B |
| Ferrexpo, 2019 | 102.6 | 103.6 | 7.6% | 6.6% | -1.7% | 0.9 | 10.375% | S/A | 07 Apr 2019 | 186 | Caa3/CCC/CC |
| Ferrexpo, 2019 | 102.5 | 103.7 | 7.7% | 6.5% | -1.8% | 0.9 | 10.375% | S/A | 07 Apr 2019 | 161 | Caa3/CCC/CC |
| UZ Rail, 2021 | 105.8 | 106.7 | 7.9% | 7.6% | -0.3% | 1.6 | 9.88% | S/A | 15 Sept 2021 | 500 | /CCC+/CCC |
| Interepipe, 2017 | 29.0 | 34.7 | n/a | n/a | 15.8% | n/a | 10.25% | S/A | 2 Aug 2017 | 200 | IN DEFAULT |
| JXX Oil&Gas, 2018 | 85.0 | 95.0 | 24.4% | 17.2% | 5.9% | 1.5 | 8.00% | S/A | 19 Feb 2018 | 16 | // |
| Bank Eurobonds | | | | | | | | | | | |
| Fin&Credit Bank, 2019 | 0.7 | 1.5 | n/a | n/a | 0.0% | n/a | 9.25% | S/A | 25 Jan 2019 | 100 | IN DEFAULT |
| PUMB, 2018 | 103.3 | 105.1 | 6.3% | 3.8% | -0.1% | 0.7 | 11.00% | Q | 31 Dec 2018 | 275 | // |
| Nadra Bank, 2018 | 0.4 | 1.0 | n/a | n/a | -36.7% | n/a | 6.25% | A | 31 Jul 2018 | 60 | IN DEFAULT |
| PrivatBank, 2018-2 | 28.0 | 38.0 | n/a | n/a | -1.5% | 1.5 | 10.25% | S/A | 23 Jan 2018 | 200 | IN DEFAULT |
| PrivatBank, 2021 | 10.0 | 15.0 | n/a | n/a | -19.4% | 1.4 | 11.00% | S/A | 09 Feb 2021 | 220 | IN DEFAULT |
| PrivatBank, 2018 | 28.5 | 31.7 | n/a | n/a | -25.3% | n/a | 10.88% | S/A | 28 Feb 2018 | 175 | IN DEFAULT |
| UkrEximBank, 2022 | 105.8 | 106.6 | 7.9% | 7.7% | -0.8% | 1.7 | 9.625% | S/A | 27 Apr 2022 | 750 | Caa3//B- |
| UkrEximBank, 2023 | 99.0 | 101.0 | 9.7% | 9.2% | -0.4% | 3.5 | 7.51% | S/A | 9 Feb 2023 | 125 | Caa3//CCC |
| UkrEximBank, 2025 | 107.4 | 108.4 | 8.3% | 8.1% | -0.5% | 3.5 | 9.75% | S/A | 22 Jan 2025 | 600 | Caa3//B- |
| VAB Bank, 2019 | n/a | n/a | n/a | n/a | n/a | n/a | 9.00% | Q | 14 Jun 2019 | 88 | IN DEFAULT |
| Oschadbank, 2023 | 105.5 | 106.5 | 8.0% | 7.8% | -1.1% | 1.6 | 8.25% | S/A | 10 Mar 2023 | 700 | Caa3//B- |
| Oschadbank, 2025 | 106.6 | 107.6 | 8.4% | 8.2% | -0.7% | 2.8 | 8.88% | S/A | 20 Mar 2025 | 500 | Caa3//B- |
| Municipal Eurobonds | | | | | | | | | | | |
| City of Kyiv, 2015 | 85.0 | 88.6 | n/a | n/a | 4.8% | n/a | 8.00% | S/A | 6 Nov 2015 | 101 | IN DEFAULT |

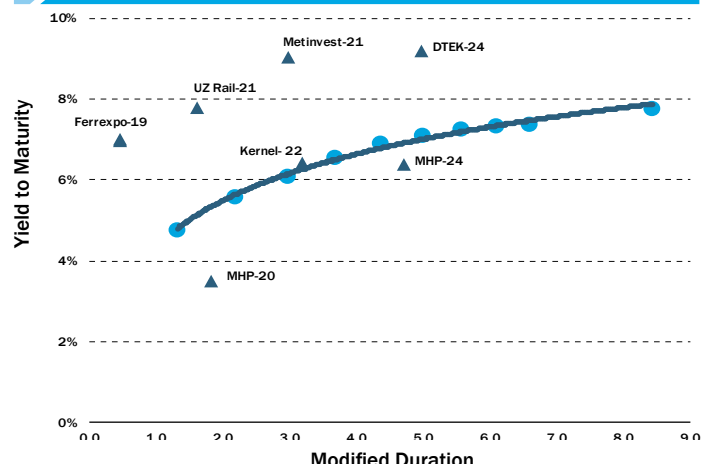
¹ Moody's/S&P/Fitch

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS



UKRAINIAN DOMESTIC BONDS

| Issue | Price (Bid) | Price (Ask) | YTM (Bid) | YTM (Ask) | Modified Duration | Coupon | Coupon Period | Maturity Date | Volume UAH mn |
|------------------------------|-------------|-------------|-----------|-----------|-------------------|--------|---------------|---------------|---------------|
| UAH denominated Bonds | | | | | | | | | |
| UA80426 | | | 17.50% | 16.00% | n/a | n/a | S/A | 10 Apr .2019 | n/a |
| VAT Bonds | | | | | | | | | |
| UA4000185151 | | | 17.75% | 16.00% | 1.9 | 9.50% | S/A | 8 Jul 2019 | 3,577 |
| UA4000185557 | | | 17.75% | 16.00% | 1.9 | 9.50% | S/A | 22 Jul 2019 | 2,171 |
| UA4000186159 | | | 17.75% | 16.00% | 1.9 | 9.50% | S/A | 20 Aug 2019 | 955 |

Source: Bloomberg, Cbonds, Eavex Research

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