

## Stock Market Update

### Ukrainian Agricultural Shares Fall; Astarta Drops 5.6% on Sugar Market Concerns

Shares of Ukrainian agricultural companies ended the week lower, declining by an average of 1.9%.

Astarta (AST) led the losses, with its shares falling 5.6% to PLN 47.4, reducing the company's market capitalization to approximately USD 317mn. The key headwind for Astarta remains the sugar market, where benchmark prices are down 18% year-on-year, pointing to a less favorable earnings outlook for the company.

MHP (MHPC) and IMC (IMC) shares also moved lower, declining 1.6% and 1.2%, respectively.

In contrast, telecom operator Kyivstar (KYIV) gained 0.6% to close at USD 14.3 per share (MCap of USD 3.3bn). The KYIV stock has risen by 10.2% since the start of the year.

U.S. equities ended Friday's session at fresh record highs, as investors continued to push higher shares of nearly all publicly traded companies linked to artificial intelligence development.

Sentiment was also supported by renewed expectations that crude oil supply from the Middle East could increase, which in turn drove oil prices lower by almost 4% to around USD 93 per barrel.

The yield on the 10-year U.S. Treasury stands at 4.45%, compared with 4.1% at the start of the year. The acceleration in inflation appears likely to keep interest rates elevated for longer, a trend that could eventually become a headwind for the U.S. housing market, as mortgage rates have moved into the 6-7% range. By comparison, 30-year mortgage rates were below 3% during the 2020-2021 period.

## Highlights

### STOCKS IN THE NEWS

- > Kernel Doubles Net Profit to USD 89mn in January-March

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](http://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](http://www.bank.gov.ua/en/about/humanitarian-aid-to-ukraine)

### 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](http://www.u24.gov.ua)

### MARKET INDEXES

|             | Last | 1W ch | YTD   |
|-------------|------|-------|-------|
| PFTS        | 421  | -0.9% | -8.7% |
| RTS         | 1138 | -2.0% | 2.2%  |
| WIG20       | 3687 | 1.3%  | 15.8% |
| MSCI EM     | 1752 | 3.9%  | 24.8% |
| MSCI Global | 1131 | 1.7%  | 11.5% |
| S&P 500     | 7580 | 1.4%  | 9.9%  |

### FIXED INCOME

|                       | Last  | 1W ch    | YTD       |
|-----------------------|-------|----------|-----------|
| NBU Key Rate          | 15.0% | 0.0 p.p. | -0.5 p.p. |
| UAH 1-year bond yield | 15.2% | 0.0 p.p. | -1.2 p.p. |
| Ukraine-2029 yield    | 14.4% | 0.1 p.p. | -3.6 p.p. |
| Ukraine-2036 yield    | 12.7% | 0.0 p.p. | -1.8 p.p. |

### OFFICIAL EXCHANGE RATES

|         | Last, UAH | 1W ch | YTD  |
|---------|-----------|-------|------|
| USD/UAH | 44.27     | 0.1%  | 4.4% |
| EUR/UAH | 51.44     | 0.3%  | 3.2% |

Source: Eavex Capital

## Kernel Doubles Net Profit to USD 89mn in January–March

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

### KERNEL (KER PW)

Price: PLN 19.3 Market Cap: USD 1.56bn

|       | P/B | EV/S | P/E | EV/EBITDA | Div. Yield |
|-------|-----|------|-----|-----------|------------|
| FY25  | 0.7 | 0.4  | 6.5 | 3.7       | 0.0%       |
| FY26E | 0.0 | 0.4  | 6.2 | 3.5       | 0.0%       |

## NEWS

Ukrainian agribusiness group Kernel released its financial results for the January–March quarter after market close on May 29.

Net profit for the quarter surged 117% year-on-year to USD 89mn. EBITDA increased 42% to USD 156mn, while revenue edged up 3% to USD 1.2bn.

For the first nine months of its 2025/26 financial year (July 2025–March 2026), Kernel generated revenue of USD 3.1bn, EBITDA of USD 403mn, and net profit of USD 208mn. EBITDA margin stood at 13%, while net profit margin reached 6.7%.

As of March 31, Kernel's net debt totaled USD 157mn, equivalent to just 0.3x trailing EBITDA.

### KERNEL FINANCIAL RESULTS

| USD mn        | 3Q FY25 | 3Q FY26 | YoY  | 9M FY25 | 9M FY26 | YoY   |
|---------------|---------|---------|------|---------|---------|-------|
| Net revenue   | 1,145   | 1,180   | 3%   | 3,092   | 3,104   | 0%    |
| EBITDA        | 110     | 156     | 42%  | 398     | 403     | 1%    |
| EBITDA margin | 9.6%    | 13.2%   | 3.6% | 12.9%   | 13.0%   | 0.1%  |
| Net Income    | 41      | 89      | 117% | 218     | 208     | -5%   |
| Net margin    | 3.6%    | 7.5%    | 4.0% | 7.1%    | 6.7%    | -0.3% |

Source: Company data,

## COMMENTARY

Kernel's quarterly results were broadly in line with expectations. On a per-share basis, net profit for the July–March period amounted to PLN 2.58. We forecast full-year earnings per share of PLN 3.08 for the financial year ending in June.

Based on that forecast, Kernel is currently trading at a forward P/E multiple of 6.2x, while its EV/EBITDA valuation stands at 3.5x.

Despite these relatively attractive valuation metrics, Kernel shares have declined 8% since the start of the year and have significantly underperformed MHP, whose stock has gained 33% over the same period.

More broadly, Kernel shares have lost much of their appeal for institutional investors due to squeeze-out and delisting risks. The company's controlling shareholder has consolidated approximately 95% of the outstanding shares, raising concerns over the stock's long-term free float and listing status on the Warsaw Stock Exchange.

At the same time, Kernel remains a popular vehicle for active retail traders seeking exposure to positive news flow related to Ukraine.

In addition, rising global prices for grains and sunflower oil have recently provided support for the stock. Wheat futures have climbed roughly 20% year-to-date on international commodity exchanges.

Kernel's 2027 Eurobonds are currently trading at 94.4 cents on the dollar, implying a yield to maturity of 11.3%.

**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 2026E |
|----------------------------|--------|-------------|----------------------|--------|-------------|-----------|------------|-------|-------|-------------------|---------------------|----------------|
|                            |        |             | 1W                   | YtD    |             |           |            | 2025E | 2026E | 2025E             | 2026E               |                |
| PFTS Index                 | PFTS   | 421         | -0.9%                | -8.7%  |             |           |            |       |       |                   |                     |                |
| <b>Iron Ore Mining</b>     |        |             |                      |        |             |           |            |       |       |                   |                     |                |
| Ferrexpo                   | FXPO   | 28.6        | 0.0%                 | -61.4% | 229         | 128       | 25.5%      | 3.5   | 2.7   | 1.2               | 0.9                 | 0.1            |
| <b>Oil &amp; Gas</b>       |        |             |                      |        |             |           |            |       |       |                   |                     |                |
| Enwell Energy              | ENW    | 12.0        | 0.0%                 | -31.4% | 52          | -42       | 21.6%      | 3.4   | 4.7   | na                | na                  | na             |
| <b>Telecom</b>             |        |             |                      |        |             |           |            |       |       |                   |                     |                |
| Kyivstar                   | KYIV   | 14.28       | 0.6%                 | 10.2%  | 3,297       | 3,163     | 15.0%      | 26.6  | 11.0  | 4.9               | 4.6                 | 2.5            |
| <b>Agro sector</b>         |        |             |                      |        |             |           |            |       |       |                   |                     |                |
| MHP                        | MHPC   | 9.60        | -1.6%                | 33.3%  | 1,028       | 2,560     | 33.7%      | 5.5   | 4.9   | 4.5               | 4.4                 | 0.7            |
| Kernel (FY24, FY25, FY26E) | KER    | 19.28       | -0.5%                | -8.0%  | 1,550       | 1,707     | 5.4%       | 6.5   | 6.2   | 3.7               | 3.5                 | 0.4            |
| Astarta                    | AST    | 47.40       | -5.6%                | 7.7%   | 317         | 577       | 37.0%      | 13.6  | 4.1   | 4.9               | 3.3                 | 1.0            |
| IMC                        | IMC    | 40.90       | -1.2%                | 59.8%  | 398         | 391       | 18.3%      | 7.6   | 6.1   | 4.6               | 4.5                 | 1.9            |
|                            |        |             |                      |        |             |           |            |       |       | <b>Price/Book</b> | <b>Price/Assets</b> |                |
| Raiffeisen Bank Aval       | BAVL   | 0.36        | 0.0%                 | -5.3%  | 501         |           | 1.8%       | 1.9   | 2.8   | 0.6               | 0.5                 | 0.09           |

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 2026E |     |
|---------------------------|---------|-----------|----------------------|--------|-------------|-----------|-------|-------|-----------|-------|----------------|-----|
|                           |         |           | 1W                   | YtD    |             |           | 2025E | 2026E | 2025E     | 2026E |                |     |
| Индекс S&P 500            | S&P 500 | 7580      | 1.4%                 | 9.9%   |             |           |       |       |           |       |                |     |
| <b>Technology sector</b>  |         |           |                      |        |             |           |       |       |           |       |                |     |
| Apple                     | AAPL    | 312       | 1.0%                 | 14.7%  | 4,867       | 4,907     |       | 54    | 51        | 36    | 35             | 12  |
| Microsoft                 | MSFT    | 450       | 7.4%                 | -6.8%  | 3,343       | 3,333     |       | 35    | 33        | 23    | 22             | 12  |
| NVIDIA                    | NVDA    | 211       | -1.9%                | 13.1%  | 5,167       | 5,137     |       | 62    | 56        | 54    | 48             | 31  |
| Palantir Technologies     | PLTR    | 156.5     | 14.3%                | -12.0% | 341         | 337       |       | 426   | 310       | 375   | 259            | 58  |
| <b>Electric Utilities</b> |         |           |                      |        |             |           |       |       |           |       |                |     |
| American Electric Power   | AEP     | 126.7     | -3.7%                | 10.0%  | 67          | 111       |       | 21.7  | 20.4      | 13.9  | 13.3           | 5.2 |
| Dominion Energy           | D       | 66.9      | -1.2%                | 14.2%  | 56          | 99        |       | 22.5  | 20.1      | 13.9  | 13.5           | 6.2 |
| <b>Oil &amp; Gas</b>      |         |           |                      |        |             |           |       |       |           |       |                |     |
| Exxon Mobil               | XOM     | 145       | -6.5%                | 20.8%  | 638         | 653       |       | 18.2  | 17.2      | 8.6   | 8.1            | 1.7 |
| Devon Energy              | DVN     | 44.5      | -5.7%                | 21.3%  | 29          | 38        |       | 8.1   | 7.7       | 4.8   | 4.4            | 2.2 |
| PBF Energy                | PBF     | 40.7      | 1.2%                 | 49.4%  | 6.1         | 7.2       |       | 12.2  | 15.3      | 9.0   | 10.3           | 0.2 |
| <b>Iron Ore Mining</b>    |         |           |                      |        |             |           |       |       |           |       |                |     |
| VALE                      | VALE    | 16.25     | -1.4%                | 25.0%  | 69          | 81        |       | 6.9   | 6.4       | 4.8   | 5.6            | 1.7 |
| <b>Pharmaceutical</b>     |         |           |                      |        |             |           |       |       |           |       |                |     |
| Pfizer                    | PFE     | 26.2      | 1.2%                 | 5.2%   | 149         | 206       |       | 30.3  | 29.1      | 14.2  | 13.9           | 3.4 |
| Bristol-Myers Squibb      | BMJ     | 57.2      | -3.9%                | 5.9%   | 116         | 159       |       | neg   | 20.0      | 12.8  | 12.3           | 3.1 |

Source: Bloomberg

**MAIN FINANCIAL FORECASTS FOR UKRAINIAN COMPANIES, USD mn**

|                            |      | Net Sales    |       |       | EBITDA       |       |       | EBITDA margin |       |       | Net Profit |       |       | Net Profit margin |       |       |
|----------------------------|------|--------------|-------|-------|--------------|-------|-------|---------------|-------|-------|------------|-------|-------|-------------------|-------|-------|
|                            |      | 2024         | 2025E | 2026E | 2024         | 2025E | 2026E | 2024          | 2025E | 2026E | 2024       | 2025E | 2026E | 2024              | 2025E | 2026E |
| <b>Iron Ore Mining</b>     |      |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| Ferrexpo                   | FXPO | 933          | 850   | 880   | 69           | 110   | 140   | 7.4%          | 12.9% | 15.9% | -50        | 65    | 85    | -5.4%             | 7.6%  | 9.7%  |
| <b>Oil &amp; Gas</b>       |      |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| Enwell Energy              | ENW  | 80           | 45    | 35    | 49           | 25    | 18    | 61.3%         | 55.6% | 51.4% | 28         | 15    | 11    | 35.0%             | 33.3% | 31.4% |
| <b>Telecom</b>             |      |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| Kyivstar                   | KYIV | 919          | 1,157 | 1,250 | 515          | 648   | 685   | 56.0%         | 56.0% | 54.8% | 283        | 124   | 300   | 30.8%             | 10.7% | 24.0% |
| <b>Agro sector</b>         |      |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| MHP                        | MHPC | 3,046        | 3,766 | 3,920 | 566          | 569   | 580   | 18.6%         | 15.1% | 14.8% | 144        | 187   | 210   | 4.7%              | 5.0%  | 5.4%  |
| Kernel (FY24, FY25, FY26E) | KER  | 3,800        | 4,115 | 4,300 | 680          | 466   | 400   | 17.9%         | 11.3% | 9.3%  | 370        | 238   | 250   | 9.7%              | 5.8%  | 5.8%  |
| Astarta                    | AST  | 645          | 543   | 570   | 202          | 117   | 177   | 31.3%         | 21.5% | 31.1% | 89         | 23    | 77    | 13.8%             | 4.3%  | 13.5% |
| IMC                        | IMC  | 180          | 170   | 210   | 80           | 85    | 87    | 44.4%         | 50.0% | 41.4% | 55         | 52    | 65    | 30.6%             | 30.6% | 31.0% |
| <b>Banks</b>               |      |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
|                            |      | Total Assets |       |       | Total Equity |       |       | Total Income  |       |       | Net Profit |       |       | Return on Equity  |       |       |
| Raiffeisen Bank Aval       | BAVL | 4,643        | 5,859 | 5,684 | 615          | 860   | 938   | 488           | 467   | 500   | 100        | 257   | 182   | 16.3%             | 29.8% | 19.4% |

Source: Eavex Research

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

|                           |      | Net Sales |       |       | EBITDA |       |       | EBITDA margin |       |       | Net Profit |       |       | Net Profit margin |       |       |
|---------------------------|------|-----------|-------|-------|--------|-------|-------|---------------|-------|-------|------------|-------|-------|-------------------|-------|-------|
|                           |      | 2024      | 2025E | 2026E | 2024   | 2025E | 2026E | 2024          | 2025E | 2026E | 2024       | 2025E | 2026E | 2024              | 2025E | 2026E |
| <b>Technology sector</b>  |      |           |       |       |        |       |       |               |       |       |            |       |       |                   |       |       |
| Apple                     | AAPL | 391       | 395   | 407   | 135    | 137   | 141   | 34.5%         | 34.7% | 34.6% | 94         | 90    | 96    | 24.0%             | 22.8% | 23.6% |
| Microsoft                 | MSFT | 245       | 265   | 285   | 133    | 147   | 152   | 54.3%         | 55.5% | 53.3% | 88         | 96    | 102   | 35.9%             | 36.2% | 35.8% |
| NVIDIA                    | NVDA | 118       | 145   | 165   | 75     | 95    | 108   | 63.6%         | 65.5% | 65.5% | 65         | 83    | 93    | 55.1%             | 57.2% | 56.4% |
| Palantir Technologies     | PLTR | 2.9       | 4.1   | 5.8   | 0.6    | 0.9   | 1.3   | 20.7%         | 22.0% | 22.4% | 0.5        | 0.8   | 1.1   | 17.2%             | 19.5% | 19.0% |
| <b>Electric Utilities</b> |      |           |       |       |        |       |       |               |       |       |            |       |       |                   |       |       |
| American Electric Power   | AEP  | 19.8      | 20.7  | 21.5  | 7.7    | 8.0   | 8.4   | 38.9%         | 38.6% | 39.1% | 2.7        | 3.1   | 3.3   | 13.6%             | 15.0% | 15.3% |
| Dominion Energy           | D    | 14.7      | 15.1  | 15.9  | 6.7    | 7.1   | 7.3   | 45.6%         | 47.0% | 45.9% | 2.4        | 2.5   | 2.8   | 16.3%             | 16.6% | 17.6% |
| <b>Oil &amp; Gas</b>      |      |           |       |       |        |       |       |               |       |       |            |       |       |                   |       |       |
| Exxon Mobil               | XOM  | 344       | 352   | 375   | 72     | 76    | 81    | 20.9%         | 21.6% | 21.6% | 34         | 35    | 37    | 9.9%              | 9.9%  | 9.9%  |
| Devon Energy              | DVN  | 15.8      | 16.2  | 17.5  | 7.6    | 7.9   | 8.6   | 48.1%         | 48.8% | 49.1% | 3.4        | 3.6   | 3.8   | 21.5%             | 22.2% | 21.7% |
| PBF Energy                | PBF  | 34.9      | 35.3  | 37.9  | 0.4    | 0.8   | 0.7   | 1.1%          | 2.3%  | 1.8%  | 0.2        | 0.5   | 0.4   | 0.6%              | 1.4%  | 1.1%  |
| <b>Iron Ore Mining</b>    |      |           |       |       |        |       |       |               |       |       |            |       |       |                   |       |       |
| VALE                      | VALE | 41.0      | 44.0  | 47.0  | 15.2   | 17.0  | 14.5  | 37.1%         | 38.6% | 30.9% | 9.3        | 10.0  | 10.8  | 22.7%             | 22.7% | 23.0% |
| <b>Pharmaceutical</b>     |      |           |       |       |        |       |       |               |       |       |            |       |       |                   |       |       |
| Pfizer                    | PFE  | 59.4      | 62.0  | 61.0  | 13.8   | 14.5  | 14.8  | 23.2%         | 23.4% | 24.3% | 4.3        | 4.9   | 5.1   | 7.2%              | 7.9%  | 8.4%  |
| Bristol-Myers Squibb      | BMJ  | 47.4      | 48.8  | 51.0  | 5.1    | 12.4  | 12.9  | 10.8%         | 25.4% | 25.3% | -7.3       | 6.5   | 5.8   | -15.4%            | 13.3% | 11.4% |

Source: Bloomberg

**Eavex Capital**

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

Telephone: +38 044 590 5454

E-mail: [research@eavex.com.ua](mailto:research@eavex.com.ua)

Web-page: [www.eavex.com.ua](http://www.eavex.com.ua)

Yuriy Yakovenko  
**Chairman of the Board**

**SALES & TRADING**

Pavlo Korovitskiy  
**Managing Director**  
**Equity and Fixed Income**  
[p.korovitsky@eavex.com.ua](mailto:p.korovitsky@eavex.com.ua)

**RESEARCH**

Dmytro Churin  
**Head of Research**  
[d.churin@eavex.com.ua](mailto:d.churin@eavex.com.ua)

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