

Stock Market Update

Kyivstar Leads Ukrainian Stocks as Global Equities End Quarter Higher

On the equity market, Kyivstar (KYIV) shares were among the strongest performers, rising 4.2% over the week to USD 14.75 and bringing the company's market capitalization to USD 3.4bn. Kyivstar's market value has increased 14% since the start of the year.

Shares of Ukrainian agricultural companies declined by an average of 2.1% during the week. IMC posted the weakest performance, falling 4.5% to PLN 34.7, leaving the company with a market capitalization of about USD 327mn.

Global equity markets are ending the second quarter on a positive note.

The S&P 500 has gained 6.6% year-to-date, while the technology-heavy Nasdaq index is up 16%. The standout equity market this year has been South Korea, where the KOSPI index has surged 95%. Shares of memory-chip maker SK hynix have jumped 300%, while Samsung Electronics has advanced 170%.

By contrast, Russia and China remain among the weakest-performing equity markets this year. Moscow Exchange's benchmark index has fallen 18% year-to-date, while Hong Kong's Hang Seng China Index (HK50) is down 10%.

In precious metals, gold has declined 6% since the beginning of the year, while silver has dropped 18%.

The outlook for global financial markets will continue to depend heavily on the unpredictable policy decisions of U.S. President Donald Trump. Investors are also closely watching the Federal Reserve's interest-rate outlook. Expectations of a rate increase are rising, prompting analysts to incorporate that risk into their financial models.

Highlights

STOCKS IN THE NEWS

- > Kernel Valuation Report Sets Fair Value at PLN 19.93 a Share

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
PFTS	426	0.0%	-7.6%
RTS	934	-10.0%	-16.2%
WIG20	3572	-2.9%	12.2%
MSCI EM	1706	-4.5%	21.5%
MSCI Global	1103	-2.0%	8.8%
S&P 500	7354	-2.0%	6.6%

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	14.9%	0.8 p.p.	-3.1 p.p.
Ukraine-2036 yield	12.6%	0.5 p.p.	-1.9 p.p.

OFFICIAL EXCHANGE RATES

	Last, UAH	1W ch	YTD
USD/UAH	44.92	0.0%	6.0%
EUR/UAH	50.92	-1.0%	2.1%

Source: Eavex Capital

Kernel Valuation Report Sets Fair Value at PLN 19.93 a Share

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KERNEL (KER PW)

Price: PLN 19.22 Market Cap: USD 1,496mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2025FY	0.7	0.4	6.3	3.5	0.0%
2026FY	0.0	0.4	6.0	3.4	0.0%

NEWS

As part of the process following Kernel's majority shareholder increasing its stake above 95% in 2025, the company commissioned a second valuation report for a mandatory sell-out procedure initiated by several minority shareholders.

The first valuation, prepared by KPMG, estimated Kernel's fair value at PLN 19.45 per share. After minority shareholders challenged those findings, a second report prepared by Grant Thornton was published last week, valuing Kernel shares at PLN 19.93.

Depending on the methodology applied, the valuation range spanned from PLN 13.80 to PLN 25.92 per share. The final valuation of PLN 19.93 was derived by combining a discounted cash flow (DCF) analysis with market-based valuation methods, including comparable trading multiples and quoted market prices.

COMMENTARY

Grant Thornton's 130-page valuation report provides a comprehensive overview of the assumptions underpinning Kernel's financial forecasts through 2033.

From a conventional DCF perspective, the valuation methodology appears well documented and internally consistent. However, the underlying operating assumptions look overly conservative. The report assumes Kernel's revenue will grow by less than 2% annually through 2033.

In our view, such projections significantly understate the growth potential of a vertically integrated company with capacity to expand its operations. The report also forecasts that Kernel's EBITDA will remain below the actual EBITDA generated during 2022-2025 throughout the entire forecast period to 2033.

Questions also arise regarding the peer valuation section, where the report cites an average EV/EBITDA multiple of 3.3x for listed Ukrainian agricultural companies including MHP, Astarta and IMC as of the valuation date. The accuracy of those comparable market multiples appears debatable.

Overall, the valuation leaves the impression that Kernel's fair value may have been artificially depressed through the use of conservative operating forecasts and questionable peer-group valuation multiples. As a result, the outlook for Kernel's Warsaw-listed shares remains challenging. The stock has fallen 8.3% since the start of the year to PLN 19.22.

Kernel's October 2027 Eurobond is currently indicated at 94.7 cents on the dollar, implying a yield to maturity of 11.2%.

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 2026E
			1W	YtD				2025E	2026E	2025E	2026E	
PFTS Index	PFTS	426	0.0%	-7.6%								
Iron Ore Mining												
Ferrexpo	FXPO	28.6	0.0%	-61.4%	226	125	25.5%	3.5	2.7	1.1	0.9	0.1
Oil & Gas												
Enwell Energy	ENW	12.8	10.9%	-27.1%	54	-40	21.6%	3.6	4.9	na	na	na
Telecom												
Kyivstar	KYIV	14.75	4.2%	13.8%	3,405	3,271	15.0%	27.5	11.4	5.0	4.8	2.6
Agro sector												
MHP	MHPC	8.62	-2.3%	19.7%	923	2,420	33.7%	4.9	4.4	4.3	4.2	0.6
Kernel (FY24, FY25, FY26E)	KER	19.22	-1.3%	-8.3%	1,496	1,653	5.4%	6.3	6.0	3.5	3.4	0.4
Astarta	AST	46.50	-0.3%	5.7%	301	561	37.0%	12.9	3.9	4.8	3.2	1.0
IMC	IMC	34.70	-4.5%	35.5%	327	320	18.3%	6.3	5.0	3.8	3.7	1.5
										Price/Book	Price/Assets	
Raiffeisen Bank Aval	BAVL	0.43	0.0%	13.2%	589		1.8%	2.3	3.2	0.7	0.6	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 2026E	
			1W	YtD			2025E	2026E	2025E	2026E		
Индекс S&P 500	S&P 500	7354	-2.0%	6.6%								
Technology sector												
Apple	AAPL	284	-4.7%	4.4%	4,430	4,470		49	46	33	32	11
Microsoft	MSFT	373	-1.6%	-22.8%	2,771	2,761		29	27	19	18	10
NVIDIA	NVDA	193	-8.5%	3.5%	4,727	4,697		57	51	49	43	28
Palantir Technologies	PLTR	112.9	-12.1%	-36.5%	246	242		308	224	269	186	42
Electric Utilities												
American Electric Power	AEP	138.7	8.6%	20.4%	74	118		23.8	22.4	14.7	14.0	5.5
Dominion Energy	D	69.4	1.5%	18.4%	58	101		23.3	20.8	14.2	13.8	6.3
Oil & Gas												
Exxon Mobil	XOM	137	-0.7%	14.2%	603	618		17.2	16.3	8.1	7.6	1.6
Devon Energy	DVN	42.2	0.2%	15.0%	28	36		7.7	7.3	4.6	4.2	2.1
PBF Energy	PBF	43.1	15.5%	58.2%	6.5	7.6		12.9	16.2	9.4	10.8	0.2
Iron Ore Mining												
VALE	VALE	15.07	-2.3%	15.9%	64	76		6.4	6.0	4.5	5.3	1.6
Pharmaceutical												
Pfizer	PFE	24.3	-3.6%	-2.4%	138	195		28.1	27.0	13.4	13.2	3.2
Bristol-Myers Squibb	BMJ	57.5	6.5%	6.5%	117	160		neg	20.1	12.9	12.4	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
Iron Ore Mining																
Ferrexpo	FXPO	933	850	880	69	110	140	7.4%	12.9%	15.9%	-50	65	85	-5.4%	7.6%	9.7%
Oil & Gas																
Enwell Energy	ENW	80	45	35	49	25	18	61.3%	55.6%	51.4%	28	15	11	35.0%	33.3%	31.4%
Telecom																
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%
Agro sector																
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%
Banks																
		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
Technology sector																
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%
Electric Utilities																
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%
Oil & Gas																
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%
Iron Ore Mining																
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%
Pharmaceutical																
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

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