

Trends

Ukrainian Eurobonds End Broadly Lower

Indicative prices for Ukrainian sovereign Eurobonds dropped an average of 3.4% over the week, underscoring investor skepticism over diplomatic efforts to halt Russia's aggression. The 2029 notes fell 2.2% to 63 cents on the dollar, while 10-year securities slid 3.6% to 51 cents, implying a yield to maturity of 16.5%.

The VRI derivatives (linked to Ukraine's future GDP growth with expiration in 2040) edged down 0.8% to close at 74.2 cents on the dollar.

In the latest Ukraine related political developments, President Donald Trump issued an ultimatum to NATO allies in a letter Saturday, saying the US will issue "major" sanctions on Russia only when they agree to do the same and stop buying oil from Russia. Meeting Trump's demands would mark a major shift among the alliance, and there are major questions as to whether there would be collective interest in taking these steps. Trump also called on NATO countries to significantly ramp up tariffs on China in a show of force. It remains unclear whether NATO countries will take these steps, which would mark a dramatic departure from their existing tariff policies. Russia was the largest supplier of petroleum to the EU prior to Moscow's full-scale invasion of Ukraine. The EU has since imposed a ban on maritime Russian oil imports, as well as refined oil products, like diesel. As a result, oil imports to Europe fell to USD 1.72bn for the first quarter of 2025, down from USD 16.4bn in the same quarter of 2021, according to the most recent data from Eurostat.

On the primary Ukrainian debt market, the latest government bond auction brought in UAH 11.3bn, including EUR 81mn in euro-denominated paper at a yield of 3.25%. UAH-denominated bond yields were unchanged, with 3-year notes sold at 17.8% and securities maturing in October 2026 at 16.35%.

The National Bank of Ukraine kept its key rate at 15.5% on Sept. 11, even as August inflation slowed to 13.2% year-on-year. The next rate decision is scheduled for Oct. 23, and the regulator has signaled readiness to cut to 15%, a move that could push the Finance Ministry to lower auction yields.

Highlights

- > MHP Increases Net Profit by 67% YoY to USD 75mn in 1H2025

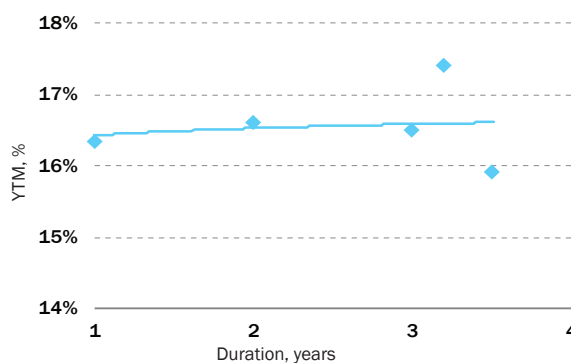
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:

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

UAH-DENOMINATED BOND YIELD CURVE



Source: Bloomberg, Eavex Capital

FIXED INCOME

	Last	1W chg	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	22.5%	1.1 p.p.	6.6 p.p.
Ukraine-2036 yield	16.4%	0.7 p.p.	2.0 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	41.50	0.0%	-1.8%
EUR/UAH	48.75	-0.1%	10.0%

Source: Eavex Capital

MHP Increases Net Profit by 67% YoY to USD 75mn in 1H2025

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MHP (MHPC LI)

Price: USD 5.58 Market Cap: USD 597mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2024	0.3	0.6	4.1	3.1	0.0%
2025E	0.3	0.6	5.0	3.9	0.0%

NEWS

Central-Ukraine-based, London-listed agro group MHP posted a first-half net profit of USD 75mn, up 67% from a year earlier. Revenue advanced 10% to USD 1.6bn, while EBITDA fell 11% to USD 236mn, weighed down by higher administrative expenses. The EBITDA margin narrowed to 14.4% from 17.7%.

As of end-June, the company's total debt stood at USD 1.7bn, with net debt-to-EBITDA at 2.3x, below the 3.0x covenant limit. Total assets amounted to USD 4.6 bn, with equity of USD 2.1bn.

MHP FINANCIALS

USD mn	2Q2024	2Q2025	chg.	1H2024	1H2025	chg.
Net revenue	770	856	+11%	1,489	1,635	+10%
EBITDA	145	125	-14%	264	236	-11%
margin	18.8%	14.6%	-4.2 p.p.	17.7%	14.4%	-3.3 p.p.
Net profit (loss)	29	43	+48%	45	75	67%
net margin	3.8%	5.0%	+1.3 p.p.	3.0%	4.6%	+1.6 p.p.

Source: Company data.

COMMENTARY

MHP reported earnings of 71 cents per share for the first half of 2025. Full-year net income is projected at USD 120mn, or USD 1.12 per share, implying a price-to-earnings ratio of 5.0x at current levels. Given the company's business expansion, MHP stock looks undervalued on these multiples. The target price is set at USD 7.50, offering 34% upside.

Alongside evident wartime risks, the company faces significant currency exposure. During periods of hryvnia depreciation, MHP books losses on revaluation of its foreign-currency liabilities. In 1H 2024, it posted a USD 81 mn FX loss, while in the first half of this year it recorded a USD 14mn gain.

Exports generated USD 991mn in 1H2025, accounting for 61% of total revenue. Capital expenditures stood at USD 134mn over the period.

MHP's eurobonds due April 2026 traded at about 94.1 cents on the dollar, implying a yield to maturity of 20.3%.

SELECTED UKRAINIAN EUROBONDS								
Issue	Indicative Price	Price change in one week	YTM, %	Coupon	Maturity Date	Volume USD mn	Currency	Ratings ¹
Sovereign Eurobonds								
Ukraine, 2029	63.1	-2.2%	22.5%	1.75%	1 Feb 2029	1,168	USD	Ca/SD/RD
Ukraine, 2030 (B)	48.1	-4.2%	18.2%		1 Feb 2030	531	USD	Ca/SD/RD
Ukraine, 2034	51.0	-3.2%	17.4%	1.75%	1 Feb 2034	3,150	USD	Ca/SD/RD
Ukraine, 2035	51.3	-3.6%	16.5%	1.75%	1 Feb 2035	2,946	USD	Ca/SD/RD
Ukraine, 2036	49.8	-3.9%	16.4%	1.75%	1 Feb 2036	2,456	USD	Ca/SD/RD
Ukraine, GDP-linked	74.2	-0.8%			31 May 2040	3,239	USD	//
Corporate Eurobonds								
MHP, 2026	94.1	-0.7%	20.3%	6.95%	4 Apr 2026	550	USD	//
Kernel, 2027	89.3	0.0%	12.8%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	71.8	-0.6%	24.2%	5.00%	31 Dec 2027	1,645	USD	//
Metinvest, 2026	88.7	-0.8%	30.8%	8.50%	23 Apr 2026	648	USD	Caa3//CCC
Metinvest, 2029	76.0	-0.5%	16.3%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2026	79.1	0.4%	16.5%	7.625%	8 Nov 2026	500	USD	//
Ukrainian Railways, 2026	80.9	0.0%	39.8%	8.25%	9 Jul 2026	500	USD	/CC/C

¹ Moody's/S&P/Fitch

Source: Boerse-Berlin, Boerse-Stuttgart. TR Data, Eavex Research

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