Ukrainian Eurobonds: Top Picks Update

April 26, 2017

CONCORDE CAPITAL

Executive summary

Our top picks from our Nov. 29 strategy report played well, with most of our preferred bonds demonstrating better-than-average performances, while the names we recommended staying away from indeed performed in an ugly way.

Despite having demonstrated a good price performance, the Eurobonds of SCM-controlled issuers remain among our top picks.

- **We continue to recommend investing in PUMB Eurobonds (PUMBUZ) via buying and holding till maturity**. The bank's bonds offer a good return rate and the bank enjoys a smooth and realistic debt amortization schedule (USD 20 mln per quarter), which it is implementing smoothly.
- **The Metinvest (METINV) story may fit both the buy-and-hold strategy, as well as buying for speculative purposes** – we still see some price gains in METINV bonds.
- **DTEK Energy (DTEKUA) bonds offer the highest price growth potential**, in our view, but this story **requires close monitoring** of changes in the local market and regulatory conditions. Among the nearest bond price catalysts could be its financial report for 2016, which may show a radical improvement in EBITDA compared to 2015 and 1H16.

Among low-yield names, we prefer the notes of agri-food companies MHP (MHPSA) and Kernel (KERPW). In our view, their bonds are less risky than sovereign paper and they will remain trading inside the sovereign curve. We prefer Kernel's bond over MHP as it has much lower leverage and less exposure to currency risk.

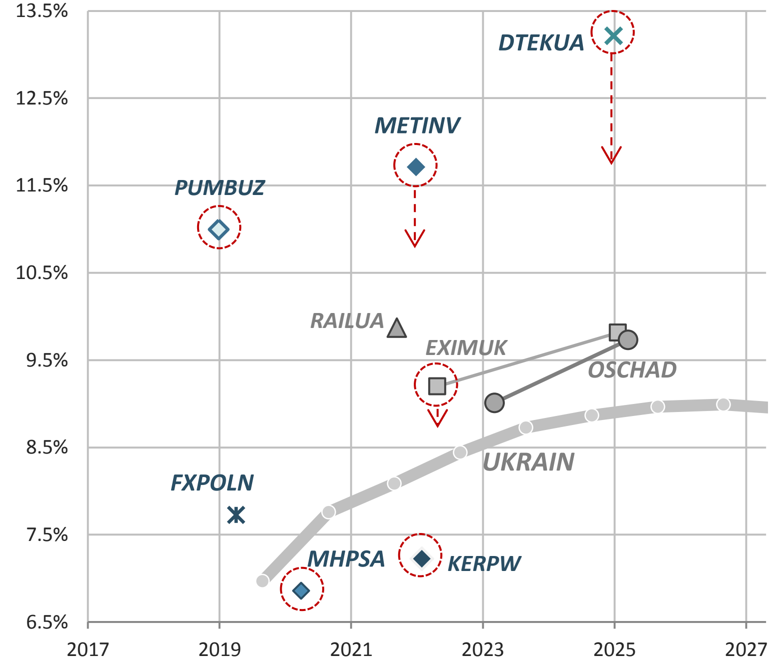
In the sovereign and quasi-sovereign universe, our top pick is a shorter bond of Ukreximbank (EXIMUK'22). We also like the longer bonds of state banks (**EXIMUK'25 and OSCHAD'25**) as we believe their spread to sovereign curve will narrow to the levels currently demonstrated by the shorter bond of Oschadbank.

We see more risk than potential return in:

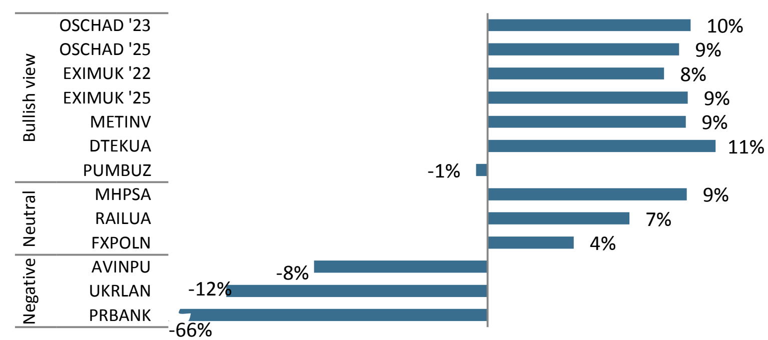
- **Sovereign bonds** (UKRAIN) as uncertainty with the next IMF tranche lingers, as well as uncertainty regarding the government's ability to repay/refinance the shortest bonds;
- **Ukrainian Railway** (RAILUA) bonds as the company is likely to continue be free-cash-flow-negative in the mid-term;
- **Ferrexpo** bonds (FXPOLN) as price outlook for its only output – iron ore products – remains bearish.

We see little value in the bonds of Privatbank, ULF and Avangardco, while we do not completely rule out some turnaround here. A possible turnaround, however, will require tough legal work by creditors and/or some cooperation from the side of issuers.

Map of yields to designed maturity, April 26, 2017



Performance of our latest picks (since Nov. 29 report)



Source: Bloomberg, company data, Concorde Capital research

Our top picks: Akhmetov issuers, Kernel and state banks

Among high-yielding bonds, we remain bullish on all the Akhmetov issuers (PUMB, Metinvest, DTEK)

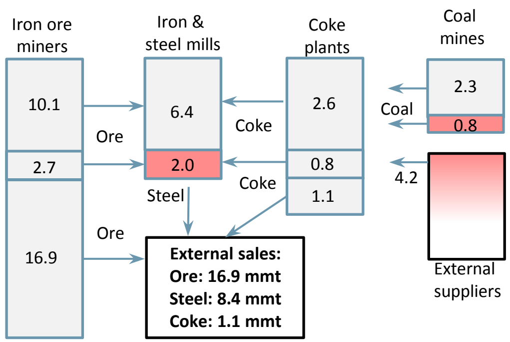
- **Rinat Akhmetov** was among the few oligarchs who was able to maintain good relations with the new power brokers after the EuroMaidan revolt of 2013-2014. The earlier announced deoligarchization process bypassed Akhmetov, while he seems to have paid a price for that – he completely spoiled relations with those controlling the occupied territories of Donbas and (at least officially) has lost all his assets in all the occupied parts of Ukraine (Donbas and Crimea). Such losses were clearly painful for all Akhmetov's Eurobond issuers, but they did not kill these businesses.
- First Ukrainian International Bank (**PUMB**) has passed the stress test performed by the central bank and already completed the resulting recapitalization program. Remaining on track, the bank continues to fulfill its Eurobond amortization process by repaying USD 20 mln quarterly. A drawback of the bank's bond is that it has no credit rating and it's not liquid at all. But a doable amortization schedule and YTM of about 11% makes this bond an attractive instrument to keep until maturity.
- **DTEK** and **Metinvest** have recently completed long-term debt restructuring, having little debt maturing in the coming three years. Of the two names, we prefer Metinvest, whose ability to generate free cash flow remains strong despite a recent loss of assets in occupied Donbas (which shaved away about 5% of the holding's potential EBITDA and did not affect its free cash flow generation potential). For DTEK, which also suffered from the government's trade blockade with the occupied territories, we expect the related losses will be fully compensated via higher electricity rates. A new electricity market reform and expected changes in power distribution segment regulation will be key cash flow drivers in the mid-term. A possible trigger for DTEK bonds can be the soon release of 2016 financials and a possible award of a credit rating close to the sovereign level (the bond is not rated by top agencies now).

Among the low-yield bonds, we prefer the notes of Kernel and state banks as an alternative to sovereign paper.

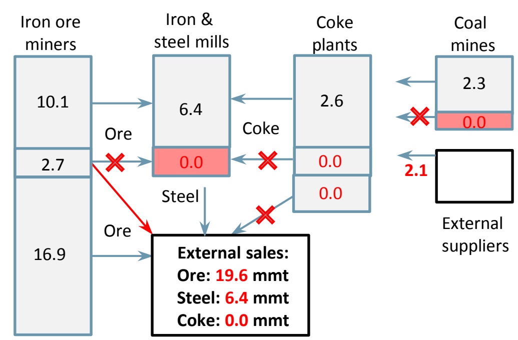
- **Kernel is a safer story than the Ukrainian government**. Export-oriented Kernel is insulated from currency risk, which is not very material, but still important in Ukraine. The company has a better credit rating than sovereign issuers and seems to have a better ability to refinance its debt than the Ukrainian government.
- **State banks offer better yields than sovereign, at the same risk profile**. Oschadbank and Ukreximbank should be considered as state agents, not independent financial institutions. As they are playing an important role in Ukraine's banking system (30% of all the assets of Ukraine's banking system), there is little risk that the government will let them down. Having weak balance sheets, the banks enjoy full support from the state any time they need some additional capital. Therefore, the banks have equal risk to sovereign. Moreover, as the experience of the 2015 government restructuring suggests, the banks offer better restructuring conditions than the government in case of default. Sovereign-level risk, a better-than-sovereign potential recovery rate and higher yields make the banks' bonds more attractive than sovereign paper.

DTEK & Metinvest: effect of economic blockade and assets loss

Metinvest steel production cycle, 2016



… excluding occupied/seized assets



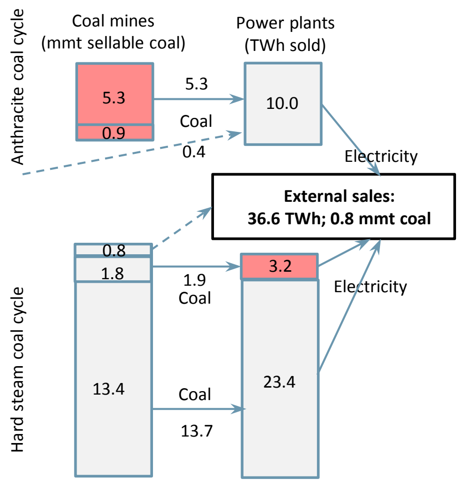
The nationalization of some of its largest assets by the occupying forces in Donbas caused some harm for Metinvest and DTEK, but it did not prevent them from being able to operate smoothly and generate enough free cash flow for debt holders.

We have estimated that the effect of the blockade and asset loss for Metinvest will be minimal in the short-term (loss of about 5% of potential EBITDA, and nearly zero of free cash flow in 2017-2018).

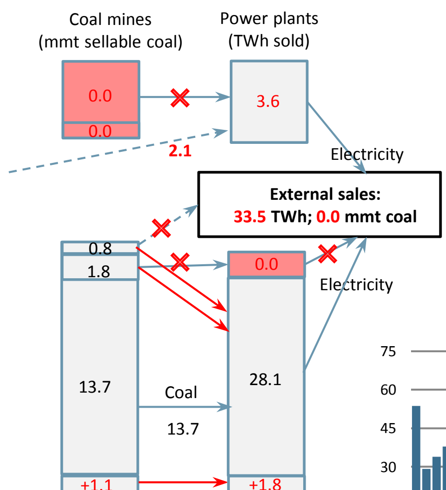
The most important short-term negative effect will be **decreased steel output** (due to the loss of Yenakiyeve Steel) and a need to seek new sources of coking coal (a lot was delivered from the occupied zone).

However, we believe that **the holding will be able to raise steel production** at the remaining steel mills, which were loaded by 71% of their capacity in 2016. Also, Metinvest will be able to sell more iron ore in 2017, which it used to supply to Yenakiyeve.

DTEK coal & power cycle, 2016

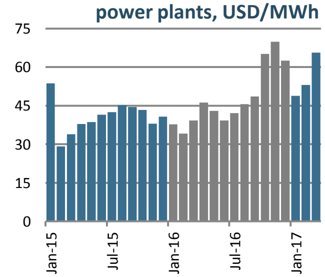


… excluding occupied/seized assets in 2017



DTEK/Metinvest assets | Assets located on the occupied territories

Electricity prices of DTEK power plants, USD/MWh



The effect of the blockade and asset seizure could be more painful for DTEK as it lost completely its sources of anthracite deliveries for its three power plants. The need to import that coal at a higher cost (USD 50-60 per ton higher than own coal) is the key negative development for DTEK.

To minimize increasing costs, DTEK will reduce its anthracite-based power generation. The decline in output will be partially compensated by a higher load from its five power plants burning hard steam coal (mined by DTEK). It will also boost its mining of hard steam coal for that reason.

But the holding is likely to be compensated for the extra costs by enjoying a higher rate for its electricity (which is, in fact, regulated).

Moreover, recent data suggests **the regulator is ready to apply a higher rate for all the electricity produced by DTEK's power plants** (including that which is produced from DTEK's own coal). That said, the profitability of DTEK's coal & power cycle will increase significantly in 2017.

Also, the loss of opportunity to supply electricity to the occupied regions will be beneficial for DTEK, as it generated heavy losses from such activity in the past due to low payment discipline there.

All in all, we expect some decline in power generation by DTEK in 2017, some increase of production costs, but ultimately a higher profit margin due to beneficial power rates. **The total short-term effect of the blockade/seizure on DTEK's EBITDA will be close to zero.**

Source: Company data, Metal Courier, Energobiznes, Energorynok, Concorde Capital estimates

Debt repayment schedule: tough sovereigns and quasi-sovereigns in 2019

A three-year grace period granted to the Ukrainian government and government-controlled debt issuers terminates in 2019, prompting a need to repay debt starting that year. At this stage, the government's refinancing capability in an amount that exceeds USD 3 bln in each of 2019 and 2020 does not look guaranteed. Therefore, we see the nearest state bonds as not attractive based on price and return. State banks, which enjoy full support from the government, are very likely to easily refinance their bonds, most of which are amortizing also in beginning of 2019 and 2020.

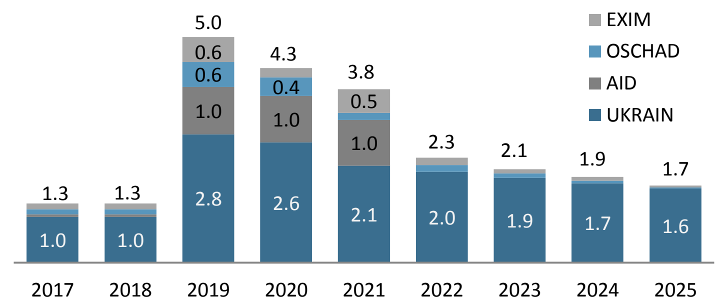
The companies of Rinat Akmetov agreed to a pretty good debt repayment schedule and we believe all will be able to repay their debts on time, or even ahead of maturity. Therefore, we believe all the bonds of Akhmetov-related companies offer good returns as to their risk profile.

Among other issuers, the debt repayment schedule looks impossible for Ukrlandfarming – this issuer (and its subsidiary Avangardco) has yet to offer a distressed restructuring proposal to its bondholders. We continue to believe that ULF and Avangardco should be treated as perpetual bonds with low cash interest payment.

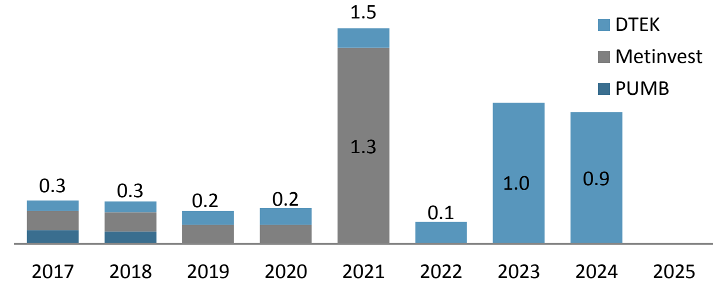
Ukrainian Railway (UZ) is also very likely to tap the Eurobond market with a new issue in 2018 or 2019. While a new issue can be successful, we continue to believe that this company is not sustainable in the mid- to long-run. We do not consider the issuer as a quasi-sovereign, although it is fully owned by the state. The Ukrainian government never helped the company to avoid missed payments.

All the other issuers look capable of smoothly repaying/refinancing their notes, including MHP, which is in the process of a new issue and tendering part of its notes maturing in 2020.

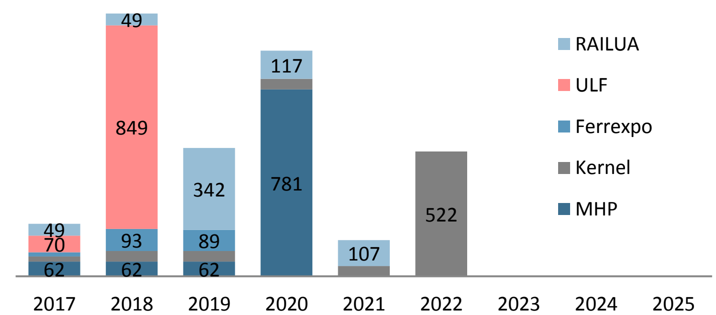
Eurobond payment schedule: state & state banks, USD bln



Eurobond payment schedule: Akmetov assets, USD bln



Eurobond payment schedule: other issuers, USD mln



Source: Bloomberg, company data, MinFin, Concorde Capital research

Issuer profiles

Banks: Exim, Oschad, PUMB

Oschadbank and Ukreximbank

Oschadbank and Ukreximbank are Ukraine's 2nd and 3rd largest banks by assets, as of end-2016. Emerging from the ruins of the Soviet banks, they remain fully state-controlled institutions and have a cumulative share of 30% of total assets in the system. Oschadbank is focused on retail deposits (ranked second by retail money attracted) and has the biggest retail network in Ukraine. Ukreximbank is almost entirely focused on corporate clients (lending to business accounts for almost 99% of its total loan portfolio) and servicing export-import operations.

The banks are important lenders to state institutions and the biggest holders of state bonds among Ukrainian banks (about UAH 130 bln in state bonds aggregately, or 86% of all banks as of end-3Q16). Some state bonds in the banks' portfolio are a result of generous state capital contributions. Namely, the government contributed UAH 48.7 bln into the equity of the two banks from 2014 to date.

Our view: Eurobonds should be treated as a better yielding and same-risk alternative to sovereign

- Given the role of Oschadbank and Ukreximbank as both large holders of state debt and large recipients of state support, we see no difference between the risk profile of these banks and the government. Therefore, we continue to believe the spread of the Eurobonds of these banks to sovereign should be minimal (no more than 50 bps).
- The key risk of the bonds of both banks is that repayments are peaking in 2019-2020, also the years of peak payments on sovereign bonds (but the banks' peak repayments are scheduled for March-April 2019, about half a year before the nearest Ukraine Eurobond matures). That means both banks may seek to refinance their amortizing Eurobonds in late 2018 or early 2019. Today such an option looks doable, but in any case the risk of restructuring the existing bonds exists. The risk is no higher than for the state bonds, and the conditions of restructuring (if it happens) could be much softer than for the government bonds, in line with tradition.
- The banks' credit portfolio looks well-provisioned - provisions accounting more than 43% of gross loans as of end-2016.
- With its cash balance of UAH 41.0 bln as of end-2016 (24% of the banking system's total, 19% of its assets), Oschadbank is the most "liquid" bank in Ukraine.

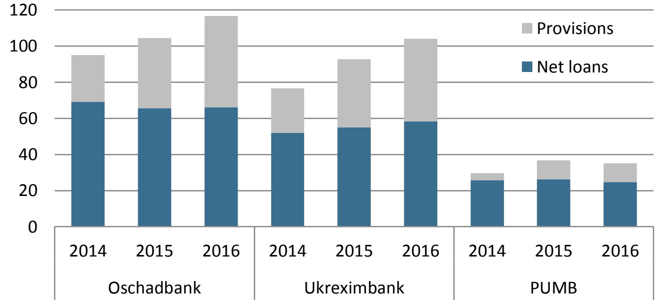
PUMB (First Ukrainian International Bank)

PUMB is ranked 8th by assets in Ukraine as of end-2016, rising from its 10th position as of end-1H16. It specializes in corporate lending (89% of its consolidated loan portfolio) while its deposit base is split nearly 50/50 between corporates and individuals. It employs the best quality investor relations standards among Ukrainian banking issuers, according to our research. The bank is controlled by Rinat Akhmetov, Ukraine's richest businessman.

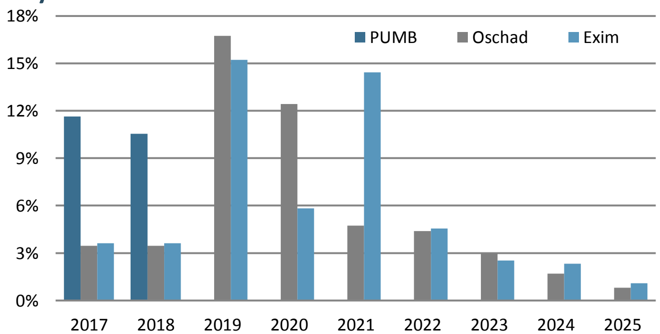
Our view: smooth bond amortization schedule makes it a good investment to be held till maturity

- The bank's Eurobond is amortizing each quarter, with principal repayments being USD 19.7 mln till the end of 2018. Quarterly repayment amounts look safe, as they amount to less than 3% of the bank's foreign currency assets (as of end-2016). The only drawback of the PUMB bond is that it's completely illiquid. In our view, it is a suitable instrument to buy and hold until its ultimate maturity. The bond's implied YTM of 11% looks attractive enough, given its risk profile.
- Despite the bank being "oligarchic," it managed to pass the NBU's stress test with minor capitalization needs detected (just UAH 1.3 bln, or 3% of the bank's assets). It completed its recapitalization program in 2016. But we suspect the bank may have higher exposure to related parties than its claim of 6% of total loans. The actual number could be much higher (about half of all loans). Reduced exposure to related parties seems to be the remaining demand of the bank by the regulator. Such a reduction could be challenging, but we do not see a liquidity and solvency risk related to its implementation.

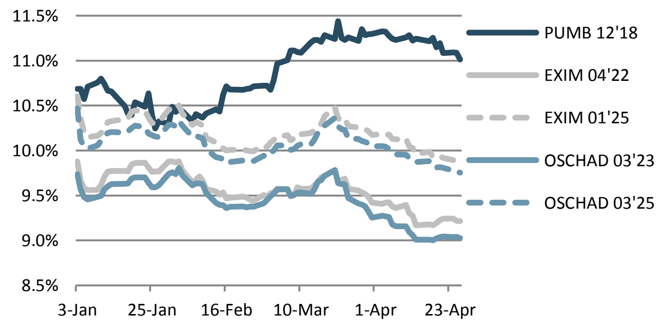
Gross loan portfolios, eop, UAH bln



Payments on Eurobonds as % of end-16 FCY assets



YTM history



Source: Bloomberg, company data, Concorde Capital research

DTEK, Ferrexpo, Metinvest

DTEK Energy

DTEK Energy is an integrated coal and electricity holding. It is a leading producer of steam coal in Ukraine (almost 90% of the nation's total in 2016) and the biggest private producer of electricity. It is also the monopoly electricity supplier in four out of 27 regions of Ukraine. In March 2017, DTEK lost some of its assets in occupied Donbas, including Zuyivska Power Plant (8% of power generation in 2016), three coal mines (28% of coal mined, fueling 25% of own power generation) and some power DisCos (about 10% of electricity supply). DTEK is a part of the business empire of Rinat Akhmetov, Ukraine's richest businessman.

Our view: among our top picks; price appreciation coming soon, but the price risk remains high

- The just-completed restructuring of all its debt makes its repayment schedule easy until 2023.
- In the mid-term, the holding will benefit from the introduction of RAB regulation for its DisCo segment that was part of the recently approved reform of the wholesale electricity market, which will liberalize prices for electricity produced and supplied. The reforms have all the chances to be fully implemented in 2020.
- The loss of its assets in occupied Donbas will be compensated via higher electricity rates for its remaining power plants, which will result in higher profitability of its key segment – coal & power generation – in 2017.
- We expect spectacular 4Q16 results for DTEK (to be announced on April 28), as well as a soon award of a credit rating by a Top 3 agency. Such events, as well as continued high rates for electricity produced by its power plants (rates were 23% higher m/m and 71% higher yoy in March), could trigger a DTEKUA price increase.
- The holding is subject to political risks (its well-being depends on Akhmetov's good relations with Ukraine's power brokers) and currency risks. The bond price could be volatile due to such risks.

Ferrexpo

Ferrexpo is Ukraine's largest iron ore pellet exporter, ranking in the top 10 globally. It manufactured 11.3 mmt in pellets (-4% yoy) in 2016 and exported all its products. Ferrexpo controls much of its logistics chain. The company is controlled by Kostyantyn Zhevago.

Our view: exposed to iron ore price risks – looks more risky and offers smaller return than bond of peer Metinvest

- So far, Ferrexpo's ability to smoothly service its debt until the bond's maturity looks good. But risks may emerge in case the global iron ore index (Fe62% China CFR) falls below USD 50/t. Even in that case, Ferrexpo could smoothly pay its debt by supplying high-quality (Fe65%) iron ore pellets, provided that pellet premiums increase to about USD 30/t from last year's USD 24/t.
- As the company is not diversified in terms of products, we prefer the bonds of the more diversified Metinvest, which currently offer a much higher YTM. On the positive side, Ferrexpo has a higher rating from Fitch, its credit history is less distressed and it is considered to have better corporate governance practices than Metinvest.

Metinvest

Metinvest is a vertically integrated mining and steel holding that controls the majority of the supply chain from raw materials production (more than fully sufficient in own iron ore) to selling finished products to final consumers. Metinvest has been one of the most significant players on the flat steel market globally. In March 2017, it officially lost control over its assets in occupied Donbas, including Yenakiyeve Steel (10% of attributable steel output in 2016) and Krasnodon Coal (source of 8% of coking coal).

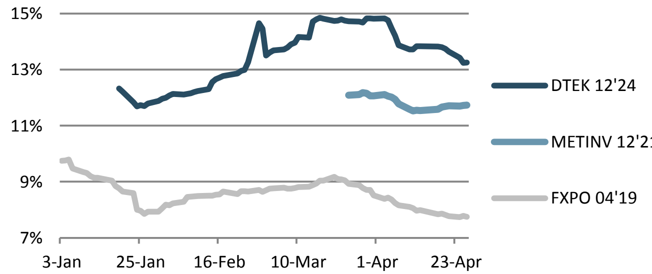
Our view: among our top picks; less exposed to commodity risks than Ferrexpo; able to deleverage ahead of schedule

- The holding completed the long-term restructuring of its bonds and banking debt, thus having a flexible debt repayment schedule by 2021. With its EBITDA being far above its CapEx ceiling, we expect it will deleverage ahead of schedule.
- Metinvest's leverage is comparable to that of Ferrexpo's, and the risk of an iron ore price fall is less critical (the price outlook for steel, among its key products, is less conservative).
- Loss of some assets in occupied Donbas (which contributed 5% to its EBITDA in 2016) won't have a material impact on its generation of free cash flow. The economic blockade may have a negative short-term effect on steel output but the holding could restore its coal supply chain in a timely manner.

DTEK Energy key financials, USD mln

	2015	2016E	2017E	2018-22E
Net revenue	4,287	4,415	4,216	
EBITDA	187	583	511	780
Free cash flow	-149	110	100	250
Net debt	2,612	2,175	2,100	
Net debt / EBITDA	14.0x	3.7x	4.1x	2.7x
Net debt / FCF	-	19.8x	21.0x	8.4x

YTM history



Ferrexpo key financials, USD mln

	2015	2016E	2017E	2018-22E
Net revenue	961	986	962	861
EBITDA	313	375	370	286
Free cash flow	-76	288	191	188
Net debt	868	589	436	201
Net debt / EBITDA	2.8x	1.6x	1.2x	1.5x
Net debt / FCF	-	2.0x	2.3x	2.3x

Metinvest key financials, USD mln

	2015	2016E	2017E	2018-22E
Net revenue	6,832	6,217	6,559	
EBITDA	513	1,359	1,531	1,525
Free cash flow	388	656	587	557
Net debt	2,766	2,114	1,677	
Net debt / EBITDA	5.4x	1.6x	1.1x	1.1x
Net debt / FCF	7.1x	3.2x	2.9x	3.0x

Source: Bloomberg, company data, Concorde Capital research

Kernel, MHP, Ukrainian Railway

Kernel

Kernel is Ukraine's largest sunflower oil producer and the largest bottled oil producer and marketer in Ukraine. With 385,000 ha of farmland as of end-2016 and plans to increase its land bank by another 150,000 ha this year, Kernel is one of the largest farming companies and grain traders in Ukraine. About 85% of the company's EBITDA is generated by its export sales. With its debut Eurobond placement in February 2017, Kernel was the first to successfully tap the Eurobond market from Ukraine since mid-2013.

Our view: relatively low leverage, lack of exposure to currency risk makes its bonds more attractive than sovereign

- The company looks like the safest Ukrainian Eurobond issuer, with a higher-than sovereign credit rating warranted by low leverage and no exposure to local currency risk.
- The key risk is the company's recent focus on expanding its land bank as Kernel stands to become Ukraine's biggest farmer. Such status carries with it an ominous taint after the poor performances and fraud from peers like Mriya and ULF. Hopefully, this company will break the trend and even enhance its strong reputation.
- Kernel's leverage could significantly increase should it have to buy farmland that its currently leases in the event that parliament approves legislation this summer creating a farmland market. This is unlikely to harm the company's solvency.

MHP

MHP is Ukraine's leading producer of chicken meat (44% of industrial poultry output in Ukraine in 2015). With a land bank of 370,000 ha in Ukraine, it is also one of the largest and most efficient Ukrainian farming companies with 600 kt p.a. of total poultry capacity. 75% of its produced chicken meat was sold to the domestic market in 2015.

Our view: excellent credit history and good reputation abroad makes it more attractive than state bonds

- MHP was the only Eurobond issuer that avoided restructuring in 2014-2016. Its debt management policy is exemplary for the Ukrainian universe. Its upcoming issue of a new Eurobond and partial buyback of USD 750 mln in notes maturing in 2020 is a good model for the Ukrainian government's debt management plan.
- The key risks are that MHP's leverage will increase in the mid-term, e.g. in case of the hryvnia's devaluation or in case its new ambitious capacity expansion program won't pay off due to lack of demand for new poultry output from abroad, or due to a need to borrow in order to acquire farmland should Ukraine's farmland market open. In any case, such events are unlikely to affect the company's solvency.

Ukrainian Railway (UZ)

UZ is the monopoly provider of railway transportation services, fully state-owned. Ukrainian Railway was created in end-2015 as a result of the reorganization and merger of six state railways. 82% of the company's revenue in 2015 was generated from cargo transport. As of June 2015, the company operated 1,223 freight electric locomotives, 614 diesel locomotives and 110,194 freight cars in a national railroad system of 21,000 km. Cargo and passenger transportation in Ukraine is a natural monopoly and subject to state price regulations. Among UZ's largest clients are DTEK, Metinvest, Ferrexpo, and ArcelorMittal Kryvy Rih .

Our view: neutral. A summer freight rate hike may be a price catalyst; high leverage and negative free cash flow will be sustained

- We continue to believe that UZ's worn out infrastructure implies its CapEx needs will always exceed its ability to generate cash. That said, the company will remain highly leveraged in the mid- and long-term, with looming default/restructuring risks that will be triggered in case of economic downturns. Although UZ is fully state-owned, the government did not help the company with any refinancing at any time in the past.
- Among the possible price catalysts for UZ bonds could be a hike in its freight rates in mid-2017, if the company gets it approved by all respective government bodies. However, that won't change the company's liquidity and solvency much, as all the additional money is likely to be directed towards its CapEx program, whose needs are enormous.

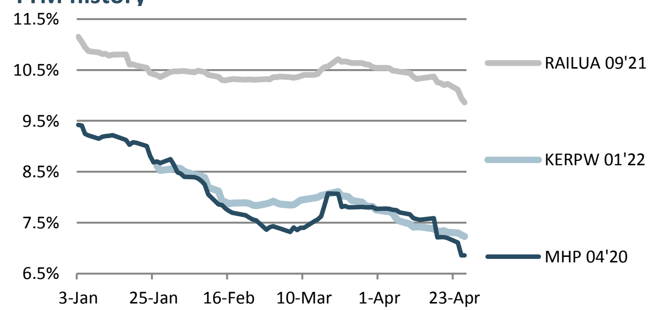
Kernel key financials, USD mln

	2015	2016E	2017E	2018-22E
Net revenue	2,330	1,999	2,039	
EBITDA	397	346	356	410
Free cash flow	380	100	175	220
Net debt	339	283	170	
Net debt / EBITDA	0.9x	0.8x	0.5x	0.4x
Net debt / FCF	0.9x	2.8x	1.0x	0.8x

MHP key financials, USD mln

	2015	2016E	2017E	2018-22E
Net revenue	1,062	1,135	1,316	
EBITDA	436	415	410	455
Free cash flow	-35	258	265	285
Net debt	1,203	1,104	1,100	
Net debt / EBITDA	2.8x	2.7x	2.7x	2.4x
Net debt / FCF	-34.4x	4.3x	4.2x	3.9x

YTM history



UZ key financials, USD mln

	2015	2016E	2017E	2018-22E
Net revenue	2,754	2,818	3,058	
EBITDA	813	874	917	
Free cash flow	328	96	-40	
Net debt	1,630	1,498	1,550	
Net debt / EBITDA	2.0x	1.7x	1.7x	
Net debt / FCF	5.0x	15.6x	-	

Source: Bloomberg, company data, Concorde Capital research

Ukrlandfarming and Avangardco

Ukrlandfarming (ULF) is the largest farming company in Ukraine in terms of land bank controlled. Its total land bank of 653 kha includes 34 kha on the occupied territories in Donbas and Crimea. Ukrlandfarming harvested around 3.3 mmt of crops in 2015 (-14% yoy), mainly corn and wheat. The company operates grain storage facilities with a total capacity of 2.58 mmt, including 1.86 mmt in vertical elevators.

Avangardco (AVINPU) is the largest egg producer in Ukraine. Its shell egg production was 2.5 bln units in 2016 (-64% compared to 2013).

95% of ULF is owned by Oleg Bakhmatyuk. ULF owns 77.5% of the shares of Avangardco.

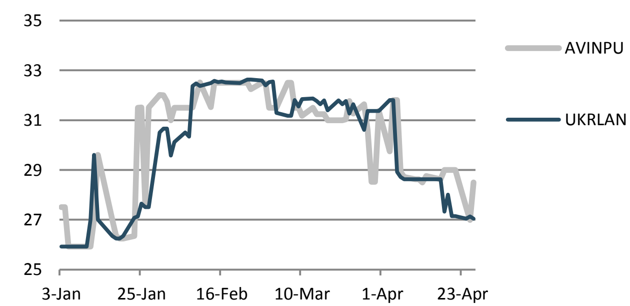
Our view: we see neither the ability nor desire to smoothly service its debt

- With consolidated EBITDA of about USD 185 mln and total debt of about USD 1,700 mln, ULF needs heavy debt restructuring to remain a going concern. Coupled with its lack of desire to accumulate any cash for debt repayment (the holding directs most of its cash flow towards "working capital" and "CapEx"), ULF does not look to be investable.
- Ukrlandfarming has officially refused to pay its coupon due March 27, announcing it would prepare a restructuring proposal within a 30-business day grace period (expiring at the beginning of May). We do not expect any good news from that restructuring for bondholders.
- We again suggest treating the holding's bonds as perpetual instruments with an annual coupon rate ranging from 2.5% to 5.0%.

Key financials, USD mln:

	ULF		Avangardco	
	2015	2016E	2015	2016
Net revenue	938	881	229.9	191.3
EBITDA	243	181	-1.4	1.5
Free cash flow	-126	-29	-36.2	-16.3
Net debt	1,539	1,674	305.0	331.5
Net debt / EBITDA	6.3x	9.2x	-	-

Bond prices, % of par



Source: Bloomberg, company data, Concorde Capital research

Bonds Summary

Company	Ticker	Maturity	Moody's	Fitch	S&P	YTM	Spread to sovereign	Our view
	UKRAIN		**Caa3**	**B-**	**B-**			
MHP	MHPSA	02.04.2020		B-	B-	6.9%	-0.6 pp	Positive
Kernel	KERPW	31.01.2022		B+	B	7.2%	-1.0 pp	Positive (top pick)
Ferrexpo	FXPOLN	07.04.2019	Caa2	B-	B-	7.7%	+0.8 pp	Neutral/Negative
Metinvest	METINV	31.12.2021		B		11.7%	+3.5 pp	Positive (top pick)
DTEK Energy	DTEKUA	31.12.2024		WD		13.2%	+4.3 pp	Positive (top pick)
Ukrainian Railway (UZ)	RAILUA	15.09.2021		CCC	CCC+	9.8%	+1.8 pp	Neutral
Oschadbank	OSCHAD	10.03.2023	Caa3	B-		9.0%	+0.4 pp	Neutral
Oschadbank	OSCHAD	20.03.2025	Caa3	B-		9.7%	+0.8 pp	Positive
Ukreximbank	EXIMUK	27.04.2022	Caa3	B-		9.2%	+0.9 pp	Positive (top pick)
Ukreximbank	EXIMUK	22.01.2025	Caa3	B-		9.8%	+0.9 pp	Positive
First Ukrainian International Bank (PUMB)	PUMBUZ	31.12.2018	WR	NR		11.0%	+4.0 pp	Positive
Avangardco	AVINPU	29.10.2018		WD		127.1%	+120.1 pp	Negative
Ukrlandfarming (ULF)	UKRLAN	26.03.2018		WD	NR	250.2%	+243.3 pp	Negative
Privatbank	PRBANK	23.01.2018	WR	WD		347.6%	+340.6 pp	Negative
Privatbank	PRBANK	28.02.2018	WR	WD		290.7%	+283.7 pp	Negative

Source: Bloomberg, Concorde Capital research

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