VEON

Invest in Ukraine event: Open for business

VEON's 'Invest in Ukraine' event in Dubai on 2 February focused on how Ukraine's economy and corporate sector have continued to operate, adapt and create value during the conflict, underpinned by the resilience of its people, a deep skill base and accelerated innovation driven by necessity since February 2022. While the front-line situation remains challenging, speakers and attendees highlighted how progress is becoming evident across defence and adjacent industries, as well as in less obvious areas of the economy. Comparisons with historical post-conflict success stories such as Germany, Japan and South Korea were raised, not as direct parallels but as examples of how disruption, reform and external alignment can create powerful long-term investment outcomes.

Year end	Revenue ($m)	EBITDA ($m)	PBT ($m)	EPS ($)	DPS ($)	P/E (x)	Yield (%)
12/23	3,698.0	1,609.0	559.0	(35.99)	0.00	N/A	N/A
12/24	4,004.0	1,691.0	704.0	5.87	0.00	9.5	N/A
12/25e	4,265.6	1,929.0	865.0	9.52	0.00	5.8	N/A
12/26e	4,491.3	2,046.2	839.4	6.70	3.12	8.3	5.6

Note: PBT is normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. EPS is reported (US GAAP). VEON's shares are only listed on Nasdaq through the ADS structure; all per share data refer to ADS.

Invest in Ukraine investor event in Dubai

Approaching the fourth anniversary of the conflict, investors noted a growing disconnect between perception and on-the-ground reality. Several attendees highlighted that investments made in Ukraine since 2022 have already delivered 7–15x returns, reinforcing the view that opportunities remain materially mispriced. Discussion emphasised that investors do not need to wait for a formal end to the conflict to gain exposure: investors are already participating in the market and governance standards and capital-market access continue to strengthen. With this context, investors noted that VEON and Kyivstar are established, liquid and institutionally familiar entry points into Ukraine's equity story, offering exposure through Nasdaq-listed securities, alongside a broader investment landscape that is steadily opening across multiple sectors.

Investment structures and risk mitigation are in place

The successful IPO of Kyivstar, which now has a market capitalisation of US$2.9bn, in 2025 was clearly the focus of the year for investors in Ukraine. We still see VEON and Kyivstar as the most liquid and accessible way to invest in Ukraine. For those wanting to invest in other industries, the entire investment landscape in Ukraine is already moving into the second phase, which is to focus on scaling blended-finance infrastructure and industrial investments, with embedded downside protection. Development finance institutions (DFIs), export-credit agencies and sovereign guarantees provide multiple layers of risk mitigation, allowing institutional investors to deploy capital with higher confidence. The Ukraine of 2010, when investors typically made poor returns with higher risk, is clearly behind us. The global focus on Ukraine, its people, its geopolitical importance and its assets has required it to raise its game, and investors are now able to partner with Ukraine in seeing the benefits.

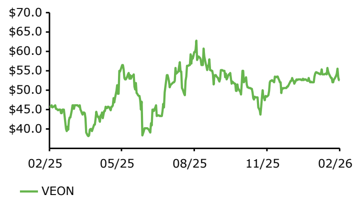
Invest in Ukraine event

Technology

16 February 2026

Price	**$55.50**
Market cap	**$3,732m**
Net cash/(debt) at 30 June 2025	$(3,631.0)m
Shares in issue	69.0m
Code	VEON
Primary exchange	NASDAQ
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	4.0	8.2	26.6
52-week high/low		$63.6	$34.8

Business description

VEON is a frontier market telecommunications company with businesses in Ukraine, Pakistan, Bangladesh, Kazakhstan and Uzbekistan. It offers services ranging from traditional mobile and internet, to sophisticated digital solutions for consumers and businesses.

Next events

FY25 results 16 March 2026

Analysts

Dan Ridsdale +44 (0)20 3077 5700

Nick Paton +44 (0)20 3077 5700

Katherine Thompson +44 (0)20 3077 5700

tmt@edisongroup.com

Edison profile page

VEON is a research client of Edison Investment Research Limited

Defence tech has become a fully formed innovation ecosystem

In little less than four years, Ukraine has built, from scratch, a defence industry that can deliver products that are a focus even for Western defence buyers. Not only that, the investment structure behind the products is highly active, complying to Western-standard regulations, with accelerators, venture funding and early-stage scale-ups. Prior to the conflict, Ukraine's defence industry had a combined output of $1bn and it now produces around $35bn (according to President Volodymyr Zelenskyy). It is predicted to generate more than $50bn within the next two to three years. While Ukraine's drone technology, arguably the best in the world, catches the headlines, the market has developed to include much more than that, including cybersecurity, AI-enabled defence systems and specialised technology transfer from military to consumer and industrial markets. Ukrainian battle-hardened technology is now finding its way into global delivery chains at the Big Tech companies, the international airlines and multinationals keen to keep a competitive edge.

Ukrainian talent is being deployed across industries

Ukraine's 25-year legacy in global outsourcing and its deep STEM education base are now intersecting with defence-trained execution capability. AI-native engineers, junior-level scale-up talent and re-skilled defence specialists are becoming the workforce of the rebuild. A younger generation is emerging with globally-certified skills, and the boundary between battlefield efficiency and startup agility is vanishing. Ukrainian staff are highly educated, unburdened by the oversensitivity increasingly attached to Western social structures, highly motivated and, most importantly, determined to show that Ukraine can hold its own not just on the battlefield, but across disciplines and geographies.

Attendees at the conference made several comments regarding Ukraine's ability to transform the assets and mindsets of a people at war, to a people determined to show the world that Ukraine is a global powerhouse. One investor commented that the 'continuous operation of rail and telecom networks under wartime stress' had required 'innovative solutions, investment and the focus of the brightest individuals', that had 'materially strengthened long-term asset quality and strategic value.' Across a range of critical sectors such as power backup, infrastructure redundancy, cybersecurity and satellite connectivity, Ukraine is now at the tip of global innovation and 'the solutions put in place, should be viewed as structural capex with long-dated returns, not temporary costs.'

Five sectors stand out to investors, excluding defence

Over the course of the presentations and discussions in Dubai, five sectors stood out as potentially offering particularly good returns as a result of Ukrainian skill sets, government incentives, international backing and long-term growth potential.

1. **Transport and logistics.** Ukraine's rail network has been a cornerstone of continuity, re-routing exports and adapting to wartime conditions. Reforms now mimic the EU separation of infrastructure ownership and operations, allowing future privatisation.
2. **Energy and power.** Grid redundancy, decentralised energy systems and a move away from legacy infrastructure toward modular, green installations are evident.
3. **Housing and construction.** Over $100bn is required for reconstruction. Modular and industrialised building solutions are the dominant approach.
4. **Manufacturing and near-shoring.** Ukraine is becoming a production hub for Europe, especially in automotive components, defence tech and industrial inputs.
5. **Digital infrastructure and telecom.** Kyivstar and others have kept national networks running throughout the war. Backup power, fibre redundancy and satellite integration are now standard.

Fireside chat: Mike Pompeo gave a compelling summary

Former US secretary of state and current VEON and Kyivstar board member Mike Pompeo was unequivocal in his message: Ukraine is already rebuilding, and capital is already flowing. Key comments that were made included:

- **'This is not a post-war reconstruction story.'** Pompeo made clear his view that rebuilding is already underway, and that waiting for a peace agreement naturally implies paying higher prices for domestic assets.

- **'Perception lags reality.'** Businesses are operational, schools are open and capital markets are functioning.
- **'Regulatory competence is proven.'** Kyivstar's Nasdaq listing during conflict underscores Ukraine's Western-standard execution.
- **'Private sector leadership is globally credible.'** Executives are gaining unmatched experience managing through extreme stress.
- **'Middle Eastern capital is watching.'** Gulf sovereigns and family offices are positioning early, drawing parallels with their own past transitions.
- **'The biggest risk today is not Ukraine. The biggest risk is ignoring it.'** Pompeo made it clear that his view from an investment standpoint is that this is a rare opportunity to put money to work in a country already showing it can deliver strong returns with managed risk.

Investor protections improved and comparison to 2010 is stark

It would be remiss not to address the concerns of some investors regarding returns during the 2010 to 2020 period. Several investors noted that previous investments in that period had suffered from shaky government support, 'hot and cold' international focus and exit challenges that had impaired overall investment returns. While it is self-evident that a country in a proxy war with a global superpower faces continued challenges, we were surprised by the strength of confidence and conviction among seasoned global emerging and frontier market investors.

Key points that they noted included that Ukraine has rapidly assembled a multi-layered investment risk-mitigation framework, with:

- political risk insurance and war-risk cargo insurance;
- state compensation schemes, with losses covered at broadly 1% premium levels;
- DFI-backed blended-finance structures; and
- export-credit and logistics insurance with lower loss ratios than initially expected.

Furthermore, the war has led to an extreme streamlining of approval processes and regulation, in stark contrast to the direction of travel in not just developed markets, but emerging and frontier markets too:

- Ukraine can now approve, permit and build new factories within c 12 months, materially faster than most EU jurisdictions.
- Emergency-driven liberalisation has created a temporary but powerful regulatory window attractive to early movers.
- Government messaging was explicit: authorities are willing to adapt policy quickly to unlock investment.

Recent investor liquidity events confirmed success of strategy

Recent investor liquidity events have confirmed the underlying strength of Ukraine's emerging tech strategy. During the panel discussions, the example of a Ukrainian-founded cybersecurity company was highlighted. The company was acquired in 2023 by Goldman Sachs through one of the official Ukrainian vehicles, with the backing and cooperation of the state of Ukraine.

The transaction has provided the Ukrainian company with enhanced distribution across global markets and direct access to international financial facilities – a step change in scaling capability. Panellists framed the deal as a template for how institutional capital can engage with Ukrainian innovation, not only by providing capital but by embedding global execution infrastructure.

We view this as a compelling demonstration of the potential for partnerships between Ukrainian founders and global financial sponsors, and expect similar frameworks to be replicated across other sectors.

Ukraine could replicate post-war success stories

History offers several examples of countries rebuilding from war and crisis into sustained industrial and geopolitical recovery. Investors at the Invest in Ukraine event commented that current conditions 'represent a once-per-generation entry point', where asset prices, regulation and international backing are unusually aligned. When security, reform and capital coordination converge, history shows that this can create a rare window for transformational investment. Ukraine's current architecture, led by DFI initiatives, risk-mitigated capital frameworks and reform-driven liberalisation, closely mirrors the conditions underpinning three of the most successful post-war recoveries of the last century.

West Germany: External security, internal discipline

Rebuilt from near-total destruction into a G7 industrial power within 15 years, West Germany's transformation was enabled by Marshall Plan capital, institutional reform and deep integration into Western economic and security structures. While Ukraine lacks a formal Marshall Plan, the combination of EU alignment, DFI engagement and blended-finance platforms provides a modern equivalent to that scaffolding.

Japan: From ruins to robotics

Post-WWII Japan paired US security guarantees with state-led industrial policy, disciplined education systems and export-driven growth. Ukraine's engineering base, digital economy and defence innovation sectors echo this trajectory, particularly in AI-enhanced drones, secure telecoms and precision manufacturing.

South Korea: From frontier market to factory of the world

South Korea's ascent was driven by military R&D spillover, near-shoring from the US and Japan, and aggressive reinvestment in domestic capacity. Ukraine is now positioning itself as Europe's next manufacturing and digital services hub, with abundant engineering talent, competitive labour costs and increasingly integrated EU supply chains.

Iraq: A reminder of the risks

Iraq serves as a cautionary tale of what happens when coordination fails. Without talent retention, institutional transparency and clear reform ownership, capital evaporates. Ukraine has already avoided this path: it retains world-class human capital, continues to deliver operationally under stress and has institutionalised large-scale, blended-finance mechanisms.

Ukraine is stronger and more determined than ever

The Dubai event reinforced the divergence between external perception and operational reality. The war has been a humanitarian catastrophe and this should not be minimised, with estimates ranging from 100,000 to nearly two million total military casualties (killed, wounded or missing) since 24 February 2022. Independent assessments put Ukrainian military deaths alone in the 100,000–140,000 range and Russian losses similarly high, contributing to nearly two million total casualties across both sides. Ukraine has lost around 1% of its landmass to Russia since late 2022, according to monitoring estimates of territorial changes on the battlefield. The narrative is understandably focused on the military actions themselves, and the Invest in Ukraine event was a good opportunity to hear about the positive things happening in the rest of the country.

Industrial activity has expanded since 2022, with new factories, plants and logistics assets coming online in military, adjacent and civilian industries. GDP rose 10.4% from $161.99bn in 2022 to $178.76bn in 2023, the last year for which there is data. While Ukraine has suffered in human and economic terms, its industry has adapted and moved (literally and figuratively) to the West. EU-linked supply chains now dominate, rather than Russian, as the conflict has forced Ukraine to integrate with European and US markets. While these initiatives may not make the headlines, they should be a key focus for investors looking to share in the post-war success story that Ukraine has the potential to become.

Valuation: 24% upside to our $65.9 per share estimate

VEON currently trades on 3.6x FY27e EV/EBITDA and 7.0x FY27e P/E, and has a 6.7% FY27e dividend yield. The relevant global telecom sector, comprising 26 stocks across frontier, emerging and developed market peers, is currently trading on 4.8x FY27e EV/EBITDA and 10.5x FY27e P/E, and has a 6.6% FY27e dividend yield. Our discounted cash flow analysis yields $65.9 per share. We continue to see the shares as inexpensive and as an attractive way to invest in Ukraine. For more information, please see our previously published note.

Exhibit 1: Financial summary

Year end 31 December, $m	2021	2022	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e
	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP
PROFIT & LOSS										
Revenue	7,788	3,755	3,698	4,004	4,266	4,491	4,704	4,937	5,181	5,438
Cost of Sales	(1,880)	(476)	(441)	(515)	(695)	(427)	(402)	(386)	(404)	(423)
Gross Profit	5,908	3,279	3,257	3,489	3,570	4,064	4,302	4,551	4,777	5,015
EBITDA	3,397	1,940	1,609	1,691	1,929	2,046	2,189	2,333	2,449	2,572
Operating Profit (Adj)	1,480	968	877	963	1,132	1,218	1,328	1,442	1,525	1,610
Intangible Amortisation	(308)	(221)	(208)	(199)	(225)	(233)	(242)	(251)	(262)	(273)
Exceptionals	(64)	(194)	(52)	(147)	(223)	0	0	0	0	0
Other	4	0	1	1	269	0	0	0	0	0
Operating Profit	1,544	1,162	929	1,110	1,355	1,218	1,328	1,442	1,525	1,610
Net Interest	(674)	(551)	(471)	(446)	(470)	(378)	(369)	(360)	(352)	(342)
Other	38	190	101	40	(20)	0	0	0	0	0
Profit Before Tax (Adj)	844	607	507	557	642	839	960	1,082	1,173	1,267
Profit Before Tax	908	801	559	704	865	839	960	1,082	1,173	1,267
Tax	(258)	(69)	(179)	(179)	(153)	(252)	(288)	(325)	(352)	(380)
Minority Interest	(127)	(153)	(78)	(111)	(38)	(113)	(130)	(146)	(158)	(171)
Net Income from Discontinued operations	151	(742)	(2,830)	0	0	0	0	0	0	0
Profit After Tax (Adj)	606	(357)	(2,581)	266	495	474	542	611	663	716
Profit After Tax	674	(163)	(2,528)	414	674	474	542	611	663	716
Average Number of Shares Outstanding (m)	70	70	70	71	71	71	71	71	71	71
EPS - Adjusted ($)	8.63	(5.08)	(36.75)	3.77	7.00	6.70	7.66	8.63	9.36	10.12
EPS - Adjusted and diluted ($)	8.63	(5.08)	(36.75)	3.77	6.86	6.57	7.51	8.46	9.18	9.91
EPS - Reported ($)	9.60	(2.32)	(35.99)	5.87	9.52	6.70	7.66	8.63	9.36	10.12
Dividend per share ($)	0.00	0.00	0.00	0.00	0.00	3.12	3.73	4.21	4.53	4.87
Gross margin (%)	75.9	87.3	88.1	87.1	83.7	90.5	91.5	92.2	92.2	92.2
EBITDA margin (%)	43.6	51.7	43.5	42.2	45.2	45.6	46.5	47.3	47.3	47.3
Operating margin (before GW and except.) (%)	19.0	25.8	23.7	24.1	26.5	27.1	28.2	29.2	29.4	29.6
BALANCE SHEET										
Fixed Assets	10,918	5,590	5,318	5,812	6,737	6,919	7,094	7,289	7,504	7,738
Intangible Assets	3,244	1,960	1,619	1,510	1,562	1,621	1,686	1,755	1,831	1,911
Tangible Assets	6,717	2,848	2,898	3,016	3,175	3,298	3,408	3,534	3,674	3,827
Investments	99	71	53	0	0	0	0	0	0	0
Other assets	858	711	748	1,286	2,000	2,000	2,000	2,000	2,000	2,000
Current Assets	5,003	9,493	2,900	2,224	2,080	2,558	2,904	3,276	3,663	4,078
Inventories	111	18	23	23	21	22	24	25	26	27
Debtors	690	456	542	440	512	539	565	592	622	653
Cash	2,252	3,107	1,902	1,689	1,547	1,997	2,316	2,659	3,016	3,399
Other	1,950	5,912	433	72	0	0	0	0	0	0
Current Liabilities	3,423	5,974	1,811	1,857	1,922	1,987	2,049	2,117	2,188	2,262
Creditors	2,650	5,499	1,354	1,326	1,391	1,456	1,518	1,586	1,657	1,731
Short-term borrowings	773	475	457	531	531	531	531	531	531	531
Long-Term Liabilities	10,993	8,342	5,336	4,922	4,926	4,934	4,941	4,948	4,956	4,964
Long-term borrowings	10,646	8,180	5,156	4,694	4,694	4,694	4,694	4,694	4,694	4,694
Other long-term liabilities	347	162	180	228	232	240	247	254	262	270
Net Assets	1,505	767	1,071	1,257	1,969	2,557	3,008	3,501	4,024	4,591
CASH FLOW										
Operating Cash Flow	3,539	3,288	2,820	1,958	2,173	2,091	2,231	2,379	2,498	2,623
Net interest	(603)	(464)	(436)	(446)	(470)	(378)	(369)	(360)	(352)	(342)
Tax	(289)	(284)	(264)	(179)	(153)	(252)	(288)	(325)	(352)	(380)
Capex	(1,383)	3,312	(531)	(647)	(725)	(719)	(729)	(765)	(803)	(843)
Acquisitions/disposals	0	0	0	0	0	0	0	0	0	0
Financing	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	(221)	(264)	(298)	(321)
Net Cash Flow	1,264	5,852	1,589	686	825	742	624	664	693	737
Opening net debt/(cash)	8,418	8,394	5,073	3,254	3,005	3,147	2,697	2,378	2,035	1,678
HP finance leases initiated	0	0	0	0	0	0	0	0	0	0
Other	(501)	(1,880)	470	(178)	(690)	0	(0)	0	(0)	0
Closing net debt/(cash)	8,394	5,073	3,254	3,005	3,147	2,697	2,378	2,035	1,678	1,295

Source: VEON, Edison Investment Research

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Australia

New Zealand

United Kingdom

United States

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom