

VEON

Estimates revision

Q3 preview and changes to FY25 estimates

VEON has provided guidance on its Q325 results, which will be unusually complicated due to charges taken in relation to the Kyivstar listing and the loss on the sale of its 51% stake in Sky Mobile (Beeline) in Kyrgyzstan. On an underlying basis, we look for continued growth, particularly on EBITDA, which we expect to rise 14% y-o-y to \$498m. We estimate Q325 adjusted net income of \$77m, and reported net income of \$-143m including \$220m of post-tax, non-cash one-off items.

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
12/24e	4,004.0	1,691.0	704.0	5.87	0.00	8.4	N/A
12/25e	4,265.6	1,929.0	865.0	9.52	0.00	5.2	N/A
12/26e	4,491.3	2,046.2	839.4	6.70	3.12	7.4	6.3

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.

Q325 results due on 10 November

VEON is due to release its Q325 results at 09:00 GST (00:00 EST) on 10 November and will host a results conference call with senior management at 16:00 GST (07:00 EST). Participants can join either by using the [registration link](#), or via [YouTube](#). Starting on 31 October, the [Q&A platform](#) will be available and shareholders will be able to submit questions to be addressed on the call.

One-off items and reporting treatment

VEON has confirmed that two non-cash, non-operational one-off items will be reported below the EBITDA line. Management has guided for a \$150–170m charge for items relating to its Kyivstar IPO, mainly mark-to-market adjustments relating to the listing. We have included the higher end of this range (\$170m) in our estimates. VEON also guided for a \$95–105m charge for the sale of its 51% stake in the Kyrgyzstan business. Again, we have assumed the high end of the potential charge range (\$105m). We estimate the combined, post-tax impact of both items at \$200m, which we add back in our adjusted net income estimate.

Valuation and changes to FY25 estimates

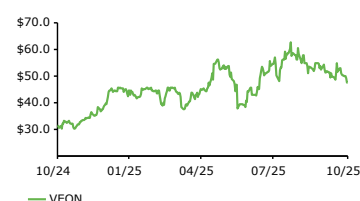
We have made some small adjustments to our VEON forecasts, following updated guidance on one-off items. The biggest change relates to the non-operational charges expected in FY25, which have increased from \$200m to \$275m. This includes a \$170m non-cash loss from the Kyivstar IPO and a \$105m loss on the sale of the Kyrgyzstan unit, both of which are reported below EBITDA. These are partially offset by a \$498m pre-tax gain recognised in H125 (\$398m post-tax assumed), resulting in an FY25 net charge of \$223m pre-tax and \$178m post-tax. Aside from these changes, we have marginally increased our FY25 EBITDA margin estimates for Pakistan and Bangladesh. Our revenue growth estimates and longer-term estimates are all largely unchanged, as are our EBITDA estimates for FY25–27. Our discounted cash flow (DCF)-based fair value estimate comes to \$65.9 per share (\$65.7 per share previously).

Technology

30 October 2025

Price	\$49.42
Market cap	\$3,714m
Net cash/(debt) at 30 June 2025	\$(3,631.0)m
Shares in issue	72.2m
Code	VEON
Primary exchange	NASDAQ
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(7.1)	(8.2)	63.3
52-week high/low		\$63.6	\$29.8

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

Q325 results	10 November 2025
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Q325 results preview

Exhibit 1: Q325 group profit and loss account estimates

\$m	Q325e	Q324	Change year-on-year
Revenues	1,083	1,037	4.4%
Growth	4.4%	9.7%	
EBITDA	498	437	14.1%
Margin	46.0%	42.1%	
Depreciation	(142)	(132)	
Amortisation	(55)	(49)	
EBIT	25	401	-93.7%
Margin	2.3%	38.7%	
Items affecting comparability	(275)	0	
Adj EBIT	300	401	-25.1%
Margin	27.8%	38.7%	
Net financials	(133)	(113)	
PTP	(108)	294	-136.6%
Tax	(50)	(67)	
Tax rate	-46.5%	22.8%	
Net income to shareholders	(143)	245	-158.4%
Items affecting comparability	220	(146)	
Adjusted net income	77	99	-22.3%

Source: VEON, Edison Investment Research

Exhibit 2: Revenues

\$m	Q325e	Q324	Change y-o-y
Revenues	1,083	1,037	4.4%
Ukraine	293	249	17.5%
Pakistan	366	359	2.0%
Kazakhstan	230	223	3.0%
Bangladesh	107	122	-12.0%
Uzbekistan	74	69	7.0%
Other	13	15	-13.3%
EBITDA	498	437	14.1%
Ukraine	173	144	20.4%
Pakistan	165	149	10.6%
Kazakhstan	110	106	4.0%
Bangladesh	48	50	-3.4%
Uzbekistan	29	25	14.2%
Other	(27)	(37)	-27.3%

Source: VEON, Edison Investment Research

Exhibit 3: Changes to estimates

US\$m	2025e	New 2026e	2027e	2025e	Old 2026e	2027e	2025e	Change 2026e	2027e
Sales	4,266	4,491	4,704	4,272	4,498	4,711	-0.1%	-0.1%	-0.1%
Ukraine	1,130	1,262	1,325	1,130	1,262	1,325	0.0%	0.0%	0.0%
Pakistan	1,521	1,567	1,645	1,521	1,567	1,645	0.0%	0.0%	0.0%
Kazakhstan	819	844	886	819	844	886	0.0%	0.0%	0.0%
Bangladesh	448	457	471	454	463	477	-1.3%	-1.3%	-1.3%
Uzbekistan	297	312	327	297	312	327	0.0%	0.0%	0.0%
Other	56	56	56	56	56	56	0.0%	0.0%	0.0%
HQ and eliminations	(6)	(6)	(6)	(6)	(6)	(6)	0.0%	0.0%	0.0%
Growth	6.5%	5.3%	4.7%	6.7%	5.3%	4.7%	-0.2%	0.0%	0.0%
Ukraine	22.3%	36.6%	5.0%	22.3%	36.6%	5.0%	0.0%	0.0%	0.0%
Pakistan	10.0%	3.0%	5.0%	10.0%	3.0%	5.0%	0.0%	0.0%	0.0%
Kazakhstan	-4.2%	3.0%	5.0%	-4.2%	3.0%	5.0%	0.0%	0.0%	0.0%
Bangladesh	-13.7%	2.0%	3.0%	-12.5%	2.0%	3.0%	-1.2%	0.0%	0.0%
Uzbekistan	9.1%	5.0%	5.0%	9.1%	5.0%	5.0%	0.0%	0.0%	0.0%
EBITDA	1,929	2,046	2,189	1,910	2,048	2,191	1.0%	-0.1%	-0.1%
Ukraine	657	736	755	657	736	755	0.0%	0.0%	0.0%
Pakistan	648	689	740	637	689	740	1.7%	0.0%	0.0%
Kazakhstan	402	447	496	402	447	496	0.0%	0.0%	0.0%
Bangladesh	216	169	188	209	171	191	3.6%	-1.3%	-1.3%
Uzbekistan	113	117	126	113	117	126	0.0%	0.0%	0.0%
HQ and elimination	(106)	(106)	(106)	(107)	(107)	(107)	-0.1%	-0.1%	-0.1%
EBIT	1,355	1,218	1,328	1,611	1,219	1,330	-15.9%	-0.2%	-0.1%
Items affecting comparability	223	0	0	298	0	0			
Adjusted EBIT	1,132	1,218	1,328	1,313	1,219	1,330			
Net financials	(470)	(378)	(369)	(457)	(372)	(362)	2.8%	1.8%	1.9%
PBT	865	839	960	1,134	848	968	-23.7%	-1.0%	-0.9%
Tax	(153)	(252)	(288)	(158)	(254)	(290)			
Tax (% of PBT)	17.7%	30.0%	30.0%	14.0%	30.0%	30.0%			
Minorities	(38)	(113)	(130)	(99)	(114)	(131)			
Net Income	674	474	542	744	477	545	-9.5%	-0.5%	-0.5%
Items affecting comparability	(178)	0	0	(238)	0	0			
Adjusted Net Income	495	474	542	506	477	545			

Source: VEON, Edison Investment Research

DCF-based valuation of \$65.9 per share

We value VEON using a DCF approach, with explicit forecasts for FY26–30 and a terminal value (TV) calculated from 2030. Our unchanged assumptions include a WACC of 16.9%, a terminal growth rate of 3.5% and a terminal free cash flow margin of 31.0%. This yields a present value of forecast free cash flows (FY26–30) of \$4,016m and a present TV of \$4,889m, resulting in a total enterprise value of \$8,905m at 31 December 2025. Adjusting for forecast net debt and minority interests of \$4,147m at the same date, we derive an equity value of \$4,758m. Based on 72.2m shares outstanding, this equates to \$65.9 per share (\$65.7 per share previously), representing a 44% premium to the current price.

Exhibit 4: DCF cashflow summary

\$m	2021	2022	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e	TV
EBIT	1,544	1,162	929	1,110	1,355	1,218	1,328	1,442	1,525	1,610	1,745
EBIT margin	20%	31%	25%	28%	32%	27%	28%	29%	29%	30%	31%
Non-cash items	(64)	(194)	(52)	(147)	(223)	0	0	0	0	0	0
Taxes	(258)	(69)	(179)	(179)	(153)	(252)	(288)	(325)	(352)	(380)	(431)
Effective tax rate	28.4%	8.6%	32.0%	25.4%	17.7%	30.0%	30.0%	30.0%	30.0%	30.0%	31.4%
Net operating profit after tax	1,222	899	698	784	979	966	1,040	1,117	1,173	1,230	1,314
Depreciation and amortisation	1,873	671	729	728	791	829	861	891	925	962	870
Capex and investments in intangibles	(1,383)	3,312	(531)	(647)	(725)	(719)	(729)	(765)	(803)	(843)	(810)
Working capital movements and provisions	(65)	(66)	248	53	27	44	42	46	48	51	51
Free cash flow	1,647	4,816	1,144	918	1,072	1,120	1,214	1,289	1,343	1,399	1,424
Free cash flow margin	21%	128%	31%	23%	25%	25%	26%	26%	26%	26%	25%
Free cash flow per share (\$)	22.8	66.7	15.8	12.7	14.8	15.5	16.8	17.8	18.6	19.4	19.7

Source: VEON, Edison Investment Research

Exhibit 5: WACC calculation and TV assumptions

	31 December 2025
10-year US Treasury yield	4.6%
Borrowing spread	4.9%
Tax rate	32.0%
After tax cost of debt	6.5%
Risk-free rate	4.6%
Equity risk premium	14.2%
Beta	135.0%
Cost of equity	23.8%
WACC	16.9%
Actual net debt % total capital	39.6%
Target net debt % total capital	40.0%
Terminal value growth rate	3.5%
Terminal value margin	31.0%
Terminal value reinvestment rate	7.8%

Source: Edison Investment Research. Note: TV, terminal value.

Exhibit 6: DCF summary

	31 December 2025
Present value of free cash flow 2026–30 (\$m)	4,016
Present value of terminal value (\$m)	4,889
Total enterprise value (2025e) (\$m)	8,905
Net debt + minorities (2025e) (\$m)	4,147
Total equity value (\$m)	4,758
Number of shares (m)	72.2
Equity value per share (\$)	65.9
Current price (\$)	50.4
Premium/(discount) to price	31%

Source: Edison Investment Research

Exhibit 7: 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
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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New Zealand

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