

**Action Summary – 26 June 2025 – Analyst: Theodore R. O'Neill**

- **We are initiating coverage** on Veon Limited with a Buy Rating and USD \$69 price target. VEON is a digital operator that provides connectivity and digital services to nearly 160 million customers across five countries that are home to more than 7% of the world's population.
- **Track record of managing successful businesses in frontier markets.** VEON has capitalized on its portfolio of telecom companies by adding digital services across multiple verticals with low cost of acquisition. This portfolio of businesses is attractive from either the standpoint of organic growth or as potential future spinouts as operating units become standalone success stories. The company has reported a quarterly profit in 17 of the last 20 quarters.
- **Frontier markets offer extraordinary opportunities.** The markets in which VEON operates have large populations of people who are massively underserved in nearly every vertical. As a telecom provider, it can acquire customers at a very low cost and then distribute services in a very efficient way.
- **IPO of one of its portfolio companies underway.** Kyivstar, Ukraine's leading mobile and broadband operator, is expected to go public in 3Q25. In addition to being Ukraine's leading telco provider, it offers digital services in three verticals, TV, health and enterprise. Depending on the offering price, VEON's ownership could reach ~USD\$2B and receive ~USD\$200MM in cash.
- **New management from 2021 has refocused the company.** VEON exited Russia, sold non-strategic assets, reduced debt, relocated HQ and consolidated trading on the NASDAQ.
- **Share buyback underway.** Currently in the third phase of a buyback worth \$100MM in total.
- **Attractive valuation.** Compared to peers the shares sell at a meaningful discount. Were the shares to trade to the peer average EV/Sales of 2.6x, the share price would double where it is today.

6/25 price: US\$ 40.79	Market cap: \$2.9B	2026 Market Cap/Sales: 0.64x	2026 EV / Sales: 1.25x
Shares outstanding: 70MM	Insider ownership: ~0.1%	3-mo. avg. trading vol: low	Dividend/Yield: NA/NA

**EPS (includes minority interest in 2024) in USD \$ – Revenue in USD \$ Millions**

Period	EPS	Revenue	Op Margin
FY24A	<u>\$6.72</u>	<u>\$4.00</u>	<u>27.7%</u>
FY25E	<u>\$4.83</u>	<u>\$4.22</u>	<u>23.1%</u>
FY26E	<u>\$6.57</u>	<u>\$4.60</u>	<u>25.7%</u>

Note: December ending year. Numbers may not add due to rounding. See our full model at the back of this report.

**Cash balance (in \$millions)**

• 2023A	• \$1.90
• 2024A	• \$1.76
• 2025E	• \$2.18
• 2026E	• \$3.00

**LT Debt (in \$millions)**

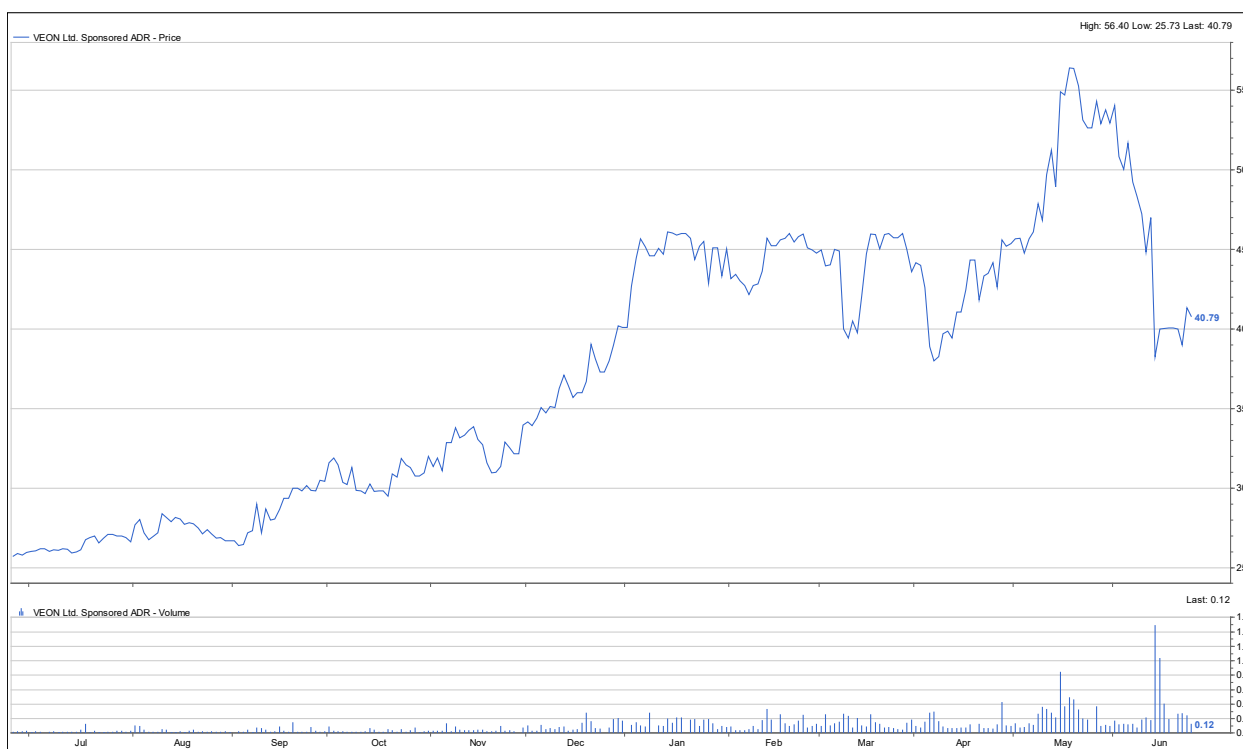
• 2023A	• \$3.4
• 2024A	• \$3.0
• 2025E	• \$3.1
• 2026E	• \$3.1

**Risks/Valuation**

- Risks include competition, regulatory issues, currency and business execution.
- Our USD\$69.00 target is derived using a discounted future earnings model.

**Company description:** VEON is a digital operator that provides converged connectivity and digital services to nearly 160 million customers. Operating across six countries that are home to more than 7% of the world's population, VEON is transforming lives through technology-driven services that empower individuals and drive economic growth.

Figure 1 – VEON Ltd. – One Year Trading Snapshot



Source: FactSet

## Investment Thesis

**We are initiating coverage** on Veon Limited with a Buy Rating and USD \$69 price target. VEON is a digital operator that provides connectivity and digital services to nearly 160 million customers across five countries that are home to more than 7% of the world's population.

**Track record of managing successful businesses in frontier markets.** VEON has capitalized on its portfolio of telecom companies by adding digital services across multiple verticals with low cost of acquisition. This portfolio of businesses is attractive from either the standpoint of organic growth or as potential future spinouts as operating units become standalone success stories. The company has reported a quarterly profit in 17 of the last 20 quarters.

**Frontier markets offer extraordinary opportunities.** The markets in which VEON operates have large populations of people who are massively underserved in nearly every vertical. As a telecom provider, it can acquire customers at a very low cost and then distribute services in a very efficient way.

**IPO of one of its portfolio companies underway.** Kyivstar, Ukraine's leading mobile and broadband operator, is expected to go public in 3Q25. In addition to being Ukraine's leading telco

provider, it offers digital services in three verticals, TV, health and enterprise. Depending on the offering price, VEON's ownership could reach ~USD\$2B and receive ~USD\$200MM in cash.

**New management from 2021 has refocused the company.** VEON exited Russia, sold non-strategic assets, reduced debt, relocated HQ and consolidated trading on the NASDAQ.

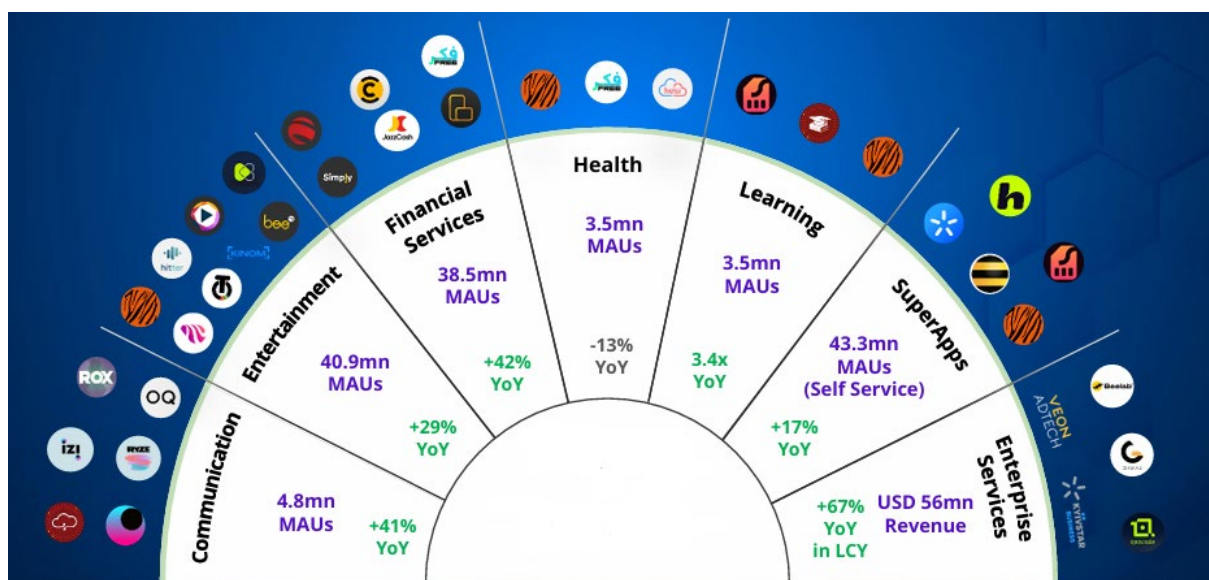
**Share buyback underway.** Currently in the third phase of a buyback worth \$100MM in total.

**Attractive valuation.** Compared to peers the shares sell at a meaningful discount. Were the shares to trade to the peer average EV/Sales of 2.6x, the share price would double where it is today.

## Company/Industry Background

Founded in 1992 as VimpelCom, now trading as Veon Limited, the company is a Dubai-based telecommunications and digital operator that offers voice, fixed broadband, data, and digital services in five regions of Central Asia and Eastern Europe. Specifically, VEON's service areas are (by reported revenue) Pakistan, Ukraine, Kazakhstan, Bangladesh, and Uzbekistan. In the last two years, under new management, it has transformed itself from a telco provider to a services company offering enterprise and consumer services that happens to have a telco license. Its six direct services verticals include: education/learning; entertainment; enterprise services (AdTech, Cloud, Software development); fintech; healthcare and SuperApps (see Figure 2)

Figure 2 – Veon Limited – Digital Ecosystem



Source: Company presentation

Recent financial results show the benefit of the focus to direct services with direct digital revenue up 63% YoY in USD and up 64.1% in local currency. Direct digital revenue was 11% of revenue

in 2024 up from only 8% of revenue in 2023. Total revenue of \$4B was up 8.3% YoY (see Figure 3).

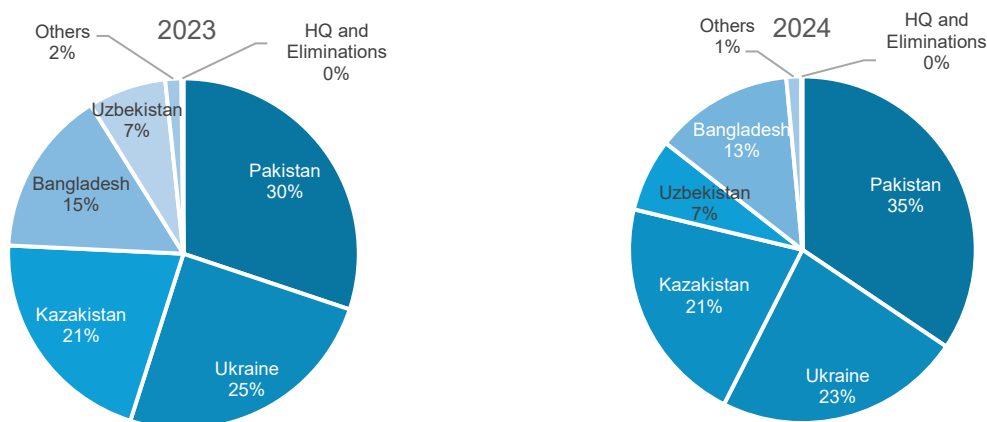
*Figure 3 - Veon Limited - Key Financial Data – 2022, 2023, and 2024*

Key Financial Data (USD\$ MM)	2022	2023	2024
Revenues	3,755.0	3,698.0	4,004.0
Operating Income (Loss)	1,163.0	929.0	1,163.0
Net Income (Loss)	(9.0)	(2,450.0)	487.0
Cash and Cash Equivalents	3,107.0	1,902.0	1,689.0
Trade and Other Receivables	456.0	542.0	463.0
Trade and Other Payables	1,087.0	1,200.0	1,276.0
Total Equity	767.0	1,071.0	1,257.0
Net Cash from Continuing Operating Activities	933.0	1,160.0	1,150.0
Net Cash from Continuing Investing Activities	(1,057.0)	(1,020.0)	(778.0)
Net Cash from Continuing Financing Activities	456.0	(919.0)	(551.0)

Sources: Company filings

VEON's reportable segments consist of the following five geographic segments: Pakistan, Ukraine, Kazakhstan, Bangladesh, and Uzbekistan (see Figure 4). "HQ and Elimination" represents transactions related to management activities within the group in HQ and costs relating to centrally managed operations and reconciles the results of its reportable segments and the total revenue and Adjusted EBITDA.

Figure 4: Veon Limited - Revenue Breakdown by Geography



Sources: Company filings

## Key Brands

### In Pakistan

- Jazz:** As a pioneer in introducing SMS in the country and shaping digital policies, Jazz has played a pivotal role in advancing Pakistan's technological landscape. Jazz's range includes mobile broadband expansion, cloud and cybersecurity services, mobile service plans, mobile internet access, and international roaming in over 150 countries. It serves a customer base of over 71MM. It was honored with seven awards at the 2023 Global Diversity, Equity, and Inclusion Benchmarks Awards.
- JazzCash:** JazzCash provides digital financial services, including digital payments, money transfers, corporate disbursement solutions, corporate collection solutions, insurance, and other services. JazzCash has introduced "Nissa Health Insurance" with WebDoc, an initiative for its female customers and their families. In 1Q25, JazzCash's revenue grew 66.1% YoY.
- Mobilink Microfinance Bank Ltd.: MMBL** is at the forefront of the emerging digital banking ecosystem in Pakistan, offering innovative financial solutions that empower people. It started its operations in 2012 and has over 46MM registered users. The bank provides a wide range of services, such as mobile payments, savings accounts, microfinance, and digital wallets. As of Q1 2025, Mobilink Bank is helping unlock the potential of Pakistan's Micro, Small, and Medium Enterprises (MSME) sector, which makes up over 90% of businesses but remains underbanked. By offering digitized banking solutions, tailored financial products, and supporting regulatory reforms, the bank addresses challenges such as limited access to finance, fostering economic growth, job creation, and financial inclusion. In 1Q25, it posted a 25.5% increase in revenue YoY.

- **Tamasha:** Founded in 2021, Tamasha is a video streaming platform that enables users to explore and watch content while on the go. It provides access to diverse content via wi-fi and mobile data, with low-cost subscription options for premium TV channels, sports, movies, and dramas. The platform spans diverse genres, including romance, comedy, action, drama, horror, thriller, and suspense, and also offers 24-hour access to live TV stations in categories such as news, entertainment, Islamic, regional, children, and sports. In 1Q25 MAUs were up 37.6% YoY.
- **FikrFree:** An AI powered insurance and healthcare marketplace launched in October 2024 reported 1MM MAUs in 1Q25.
- **SIMOSA:** Jazz's Sim-care and lifestyle add saw a 40% increase in MAUs YoY in 1Q25.

#### In Ukraine

- **Kyivstar:** Kyivstar is the leading telecom company in the country and offers a range of mobile and fixed connectivity, including 4G, big data, cloud solutions, cyber defense services, and digital TV. It has over 53,000 base stations across Ukraine. It serves more than 24.3MM customers. Kyivstar has been recognized as the best infrastructure provider according to the Pay Space Magazine Awards 2024. In 1Q25 it reported 177% YoY revenue growth driven by ~35% increase in MAUs. It closed on the acquisition of ride hailing app, Uklon in April 2025.
- **Helsi:** Ukraine's leading digital healthcare platform reported revenue growth of 41% in 1Q25 compared to 1Q24 and had 1.8MM app users.

#### In Kazakhstan:

- It operates Simply, its branchless banking app which saw a ~140% increase in MAUs which reached 3.3MM users. **Beeline Kazakhstan** continues to expand its digital portfolio offering enterprise customers, **Beeline Business**. Beeline Business offers services such as mobile communication, cloud technology, the Internet of Things, big data, and mobile finance, to clients, including individuals, the public sector, partners and operators, and self-employed businesses. The key industries it serves are pharma, trade, construction and real estate, logistics and transportation, housing and communication services, etc. **BeeTV** its multiplatform entertainment service reported reaching 900K MAUs with 67% of customers using the mobile version in 1Q25. Beelines sub-brand, **IZI**, saw MAUs increase 10.3% using the app in 1Q25 up 10% YoY in 1Q25. It introduced a new SuperApp, Janymda (formerly "My Beeline") offering financial services, entertainment, gaming, etc.

#### In Bangladesh

- **Banglalink:** Banglalink is a digital operator that provides telecom and digital services, including self-care solutions, commerce and banking services, entertainment, education, and healthcare solutions to more than 240MM customers in countries such as Russia, Italy, Algeria, Pakistan, Uzbekistan, and Kazakhstan. Banglalink has made an online portal called 'iSupplier' for its business partners to enhance and strengthen its relationship with them. Transaction volumes on its SuperApp, MyBangalink (**Mybl**) remained stable at 7.8MM as of the end of 1Q25.

- **Toffee:** Toffee is Bangladesh's main video streaming app, launched in 2019. In just four months after its launch, Toffee became Bangladesh's number one entertainment app on Google Play. Toffee presently includes over 100 national and international live TV channels and a significant library of video-on-demand entertainment. Toffee allows anyone in Bangladesh to access live TV shows, movies, dramas, and music videos. Toffee now allows young content creators to publish their video content in the app and earn money. By the end of 1Q25, it had 8.9MM MAUs and recorded 825MM minutes of usage. It launched **Ryze** in November 2024 targeting the youth segment and recorded 100K+ MAUs by the end of 1Q25.

#### In Uzbekistan

- It operates **Beeline** as **Beeline Uzbekistan**. It reported 8.2MM mobile customers at the end of 1Q25, down slightly from a year ago as it focuses on more valuable customers. Its financial services platform, **Beepul**, grew its customer base by 152% YoY in 1Q25 to over 2.3MM MAUs. Its enterprise app, **OQ**, reached 450K MAUs at the end of 1Q25. Its new SuperApp, **Hambi**, had 4.3MM users at the end of 1Q25 and the newly launched all access TV app, **Kinom**, reported ~368K users and ~632K users consume TV on **Beeline TV**.



## Select Corporate Timeline

Period	Milestone
January 2025	Burak Ozer named as new CFO.
January 2025	VEON declared its intention to float Kyivstar, its Ukrainian subsidiary, on the Nasdaq stock exchange.
November 2024	Consolidation of stock market listing to Nasdaq and cessation of trading on Euronext Amsterdam to drive trading liquidity and simplify reporting requirements.
October 2024	VEON announced its plan to move its headquarters to Dubai.
May 2024	VEON announced its new board - The new members consisted of former U.S. Secretary of State Michael Pompeo, Sir Brandon Lewis, and Duncan Perry.
March 2024	VEON announced the sale of stake in Beeline Kyrgyzstan.
December 2023	VimpelCom independently purchased USD\$2,140MM equivalent of VEON Holdings bonds to satisfy certain Russian regulatory obligations.
October 2023	VEON announced the completion of its exit from Russia with the closing of the sale of its Russian operations.
July 2023	VEON streamlined its Group executive committee (GEC) to better reflect its portfolio size. The GEC was consolidated to include Kaan Terzioğlu (Group CEO), Joop Brakenhoff (Group CFO), and Omiyinka Doris (Group General Counsel).
Late 2019	VEON announced a new strategic framework at the Group level to boost long-term growth beyond traditional connectivity services.
April 2011	The company acquired a 51.7% stake in Orascom Telecom Holding and a 100% stake in Wind Telecomunicazioni. The company also completed the acquisition of Millicom Holding Laos.
2010	VEON established its headquarters in Amsterdam.
June 2009	VEON was incorporated.
The early 2000s	VEON started expanding into certain Eastern European and Central Asian regions by purchasing existing operators or forming partnerships with local partners, such as in Kazakhstan (2004), Ukraine (2005), and Uzbekistan (2006).
September 1992	VEON's predecessor, VimpelCom, was founded.



## Strategy

VEON's objective is to drive growth and profitability through its digital-service-driven strategy, focusing on emerging markets with high growth potential. Following the sale of its Russian assets, the company has committed to an 'asset-light' approach, prioritizing cash generation and delivering strong returns to shareholders. The company's strategy focuses on:

- **Core Business & Services:** VEON offers mobile, internet, and digital services such as online payments, music streaming, TV, and IT services across frontier markets.
- **Market Position:** VEON is the leading telecom brand in Ukraine, Pakistan, and Kazakhstan, ranks second in Uzbekistan, and third in Bangladesh.
- **Digital-Driven Strategy:** With an asset-light focus, VEON aims to enhance cash generation and shareholder returns.
- **Growth Catalysts:** Add digital services organically or expand their portfolio through inorganic growth. Key drivers include the planned Nasdaq initial public offering (IPO) of Kyivstar in Q3 2025, the sale of legacy telco infrastructure assets, and the potential resolution of the Ukraine conflict.
- **Management & Transformation:** VEON's experienced, incentivized management team has led to transformative changes, including share buybacks, a headquarters relocation, shifting its domicile to the UAE and importantly focusing on digital services as it ramps services offerings.
- **Market Recovery & Growth:** The company expects synchronized market normalization in Ukraine, Pakistan, and Bangladesh, boosting growth and margins.
- **Financial Guidance:** VEON projects a 19-22% EBITDA CAGR through 2027, while its asset-light approach will reduce capex, increasing cash flow by approximately USD\$ 50 MM annually.

## Industry Overview

### Global Mobile Connectivity Market

The global mobile connectivity market encompasses the industry that provides voice, SMS, and data services via cellular networks. It spans legacy networks (2G/3G), widespread 4G connectivity, and rapidly expanding 5G networks. Varied infrastructure maturity, regulatory environments, and economic conditions across regions characterize this market. In mature economies, advanced network technologies prevail, while emerging markets offer significant growth potential due to lighter regulation and increasing demand for digital connectivity. The demand for 5G is not a critical factor in many of the markets VEON serves but demand overall is expected to grow.

### Global Digital Services Market

The global digital services market includes a broad portfolio of value-added offerings such as digital payments, streaming content, mobile financial services, healthcare, education, and over-the-top (OTT) applications. Streaming & content encompasses platforms that deliver live television, on demand video, and digital media; mobile financial services include digital payment solutions and mobile banking services, particularly important in regions with limited access to

traditional banking; and OTT & other digital applications that encompass digital healthcare, education, and multifunctional applications integrating several service verticals. Regulatory shifts, economic uncertainties, and political instability in emerging and frontier markets can cause operational disruptions and revenue volatility. Worth noting that in these markets there is no “net neutrality” hence it is easier to bundle services.

Some of the factors driving this growth are:

- **Use of Artificial Intelligence (AI):** To optimize horizontal and vertical business processes, companies rapidly adopt AI to drive automation and increase efficiencies. AI-driven personalization is increasingly being used to understand customer behavior across sectors such as healthcare, digital education, and financial services. VEON has an ambitious AI strategy, known as AI 1440 to enable local language models and it recently announced that it is developing one in Ukraine.
- **Internet usage:** The rise in internet service usage is expanding the global digital services market. The State of Mobile Internet Connectivity Report 2024 by GSMA says that at the end of 2023, 58% of the world’s population was using mobile internet, translating to 4.7B users, which in 2015 was around 2.6B. It also states that subscriber penetration in Eurasia, which includes Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Uzbekistan, stood at 78% in 2023, In the Asia-Pacific, which excludes Greater China, this number was close to 63%.
- **Shift in focus:** Many providers are shifting from heavy network infrastructure to digital innovation, adopting an asset-light strategy and ultimately reducing capital expenditures. The rapid growth in digital engagement is expected as millions of new subscribers are added, creating broader customer bases for cross-selling digital services. Any strategic partnerships or alliances would only accelerate the rollout of digital services and further enhance market presence.

### Global Digital Payments Market

The global digital payments market comprises all electronic payment methods that enable cashless transactions through digital channels. It includes mobile payments, online payments, contactless Near-Field Communication (NFC) transactions, and digital remittances. This market supports consumer and business transactions, including e-commerce, bill payments, peer-to-peer transfers, and cross-border remittances. Its rapid expansion is driven by increasing smartphone adoption, high internet penetration, and evolving consumer preferences for convenience and security. This is a need in frontier markets and where Veon has a lead over others.

Some of the factors that are driving this market include:

- **Post-COVID-19 acceleration:** The impact of the COVID-19 pandemic has supported the growth of mobile money, thus driving demand. Many of the higher-value transactions occurred during the height of the pandemic.
- **Ubiquity of digital devices:** The rapid increase in smartphone penetration and internet access globally has made digital payment solutions accessible to a broader population.
- **E-Commerce expansion:** As e-commerce continues to grow, the reliance on digital payment methods for secure, real-time transactions also increases.
- **User experience optimization:** Investments in interface design, personalization, and multi-channel integration aim to simplify transactions and improve user adoption.

## Financial Model

The company has guided for 2025 revenue growth in local currency of 12% to 14% and for EBITDA to grow 13% to 15% on the same basis. Our estimates assume a discount in translation to USD which yields USD growth of approximately 5%.

## Valuation Methodology

We believe VEON is undervalued, and we support that belief with an absolute and relative valuation. To determine our price target, we use a discounted future earnings model. The following valuation techniques are being used:

- 1) The discounted value of all future earnings was used for our price target (see Figure 5)
- 2) Valuation relative to peers (see Figure 6)

### Discounted Future Earnings – Basis for Price Target

Our 12-month price target of \$69 is based on a discounted earnings model. For valuation purposes, we sum up all future earnings discounted at 16%, which we feel adequately addresses equity, currency and country risk. We assume the company grows above 5% in USD until 2031 when growth slows to global GDP. Our valuation model is shown in Figure 5 below. Note, this model understates future new products and growth through acquisitions and probably understates the tax benefits, but offsetting that, the earnings never have a down year. The implied share price is \$69.07, which we round to \$69.00.

Figure 5 – VEON Ltd. – Price Target Calculation

Implied Value of Future Discounted Earnings: \$69.07		
Year 0 is 2025	Forecast GAAP EPS	Discounted EPS
0	\$4.83	\$4.83
1	\$6.57	\$5.65
2	\$8.75	\$6.47
3	\$9.25	\$5.88
4	\$9.78	\$5.35
5	\$10.00	\$4.70
Terminal Value		\$36.20

Source: Litchfield Hills Research LLC

## Valuation Relative to Peers

Figure 6 is a summary of our VEON peer comparison. The significant discount to peers broadly confirms our view that, along with our discounted earnings model, the shares are undervalued.

Figure 6 – VEON Ltd. – Comp Tables

FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	2026 Consensus Multiples			
					PE	EV /Sales	Market Cap / Sales	EV / EBITDA
7010-SA	Saudi Telecom Co.	\$11.38	56,914	54,611	14.64	2.44	2.55	7.74
EAND-AE	Emirates Telecommunications Group Compar	\$4.66	40,543	50,495	12.12	2.50	2.01	5.68
VOD-ZA	Vodacom Group Limited	\$7.52	15,635	18,166	11.14	1.83	1.57	4.74
MTN-ZA	MTN Group Limited	\$7.41	13,954	20,238	9.66	1.52	1.03	3.97
DU-AE	Emirates Integrated Telecommunications Cor	\$2.57	11,640	11,448	15.68	2.77	2.82	
AAF-GB	Airtel Africa Plc	\$2.39	8,733	13,540	12.21	2.11	1.34	4.42
SCOM-KE	Safaricom PLC	\$0.19	7,458	7,963	8.91	2.13	2.00	
TIGO-US	Millicom International Cellular SA	\$36.69	6,314	12,739	10.31	2.23	1.10	5.00
TTKOM.E-TR	Turk Telekomunikasyon A.S.	\$1.43	4,992	6,452	6.43	0.87	0.68	
BEZQ-IL	Bezeq The Israel Telecommunication Corp. Lt	\$1.70	4,717	6,498	11.98	2.57	1.81	
GP-BD	Grameenphone Ltd.	\$2.41	3,250	3,606	12.02	2.74	2.48	
EXCL-ID	PT XLSMART Telecom Sejahtera Tbk	\$0.14	2,471	4,404	16.60	1.51	0.85	
TUA-AU	Tuas Ltd.	\$3.81	1,784	1,742	127.25	12.33	12.65	
TKG-ZA	Telkom SA SOC Ltd.	\$2.79	1,426	1,780	7.99	0.68	0.54	2.55
SIFY-US	Sify Technologies Limited Sponsored ADR	\$4.26	308	688	158.56	0.93	0.44	
<b>AVERAGE</b>					<b>29.03</b>	<b>2.61</b>	<b>2.26</b>	<b>4.87</b>
VEON-US	VEON Ltd. Sponsored ADR	\$41.33	2,897	5,650	6.29	1.25	0.64	2.85
<b>VEON Discount to peers:</b>					<b>-78%</b>	<b>-52%</b>	<b>-72%</b>	<b>-41%</b>

Source: Litchfield Hills Research LLC and FactSet

## Management

- **Kaan Terzioğlu (Group Chief Executive Officer):**

Mr. Kaan Terzioğlu has been serving VEON Group as the Group Chief Executive Officer since June 2021. As the Group CEO, Terzioglu leads the executive teams of the Company's digital operators providing connectivity and digital solutions, empowering their customers with digital finance, education, entertainment and health services, among others, and supporting the economic growth of the Company's operating markets. Prior to being appointed as the Group CEO, Mr. Terzioglu served the Company as Group Co-CEO from March 2020 to June 2021, Group Co-COO from November 2019 to March 2020 and a Board Director from July 2019 to October 2019. Kaan Terzioglu is currently a Board Member of the GSMA and the GSMA Foundation and also serves on the board of Digicel. Prior to joining the Company, Mr. Terzioglu held regional and global leadership roles in management consulting, technology and telecoms with Arthur Andersen, CISCO and Turkcell in Belgium, the United States and Turkey. In 2019, Mr. Terzioglu received GSMA's "Outstanding Contribution to the Industry" award for his leadership in creating a digital transformation model for the telecoms industry and for his contributions to socially responsible business in the telecommunications industry.

Mr. Terzioglu holds a Bachelor's Degree in Business Administration from Bogazici University and is also a Certified Public Accountant (Istanbul Chamber of Certified Independent Public Accountants).

- **Burak Ozer (Group Chief Financial Officer)**

Burak Ozer joins VEON with nearly 30 years of international experience. He started his career at Xerox Istanbul as a Financial Planning Analyst, was then the Director of Financial Planning for Xerox Emerging Markets, was later the CFO of Xerox Central and Eastern Europe based in London, UK, and also worked in Xerox HQ operations in Connecticut, USA. He then took on CFO and finance leadership roles in the global ICT space. Burak Ozer is a graduate of Istanbul Technical University and has a Master of Science Degree in Business Management. He is married and has two children.

Figure 7 – VEON Ltd. – Income Statement (US\$000)

December ending year	2023A Year	2024A Year	2025E Year	2026E Year
Revenue	\$3,698	\$4,004	\$4,224	\$4,604
<i>Growth</i>		8%	5%	9%
Operating expenses:				
Service costs	423	488	525	530
Cost of equipment and accessories	18	27	40	40
SG&A	1,646	1,799	1,900	2,000
Depreciation and amortization	735	728	781	852
Impairment/(loss) reversal, net	(6)	3	0	0
Gain/(loss) on disposal of non-curr assets	(46)	(5)	0	0
Gain on disposal of subsidiary	0	(145)	0	0
Total Operating Expenses	<u>2,770</u>	<u>2,895</u>	<u>3,246</u>	<u>3,422</u>
Operating expense margins	75%	72%	77%	74%
EBITDA	<b>1,612</b>	<b>1,691</b>	<b>1,778</b>	<b>1,983</b>
Operating Income	<b>928</b>	<b>1,109</b>	<b>978</b>	<b>1,183</b>
Operating Margin	<b>25.1%</b>	<b>27.7%</b>	<b>23.1%</b>	<b>25.7%</b>
Total Other Items	<u>(369)</u>	<u>(405)</u>	<u>(440)</u>	<u>(450)</u>
Pre-Tax Income	<b>559</b>	<b>704</b>	<b>538</b>	<b>733</b>
Taxes (benefit)	<u>179</u>	<u>217</u>	<u>188</u>	<u>256</u>
Tax Rate	32.0%	30.8%	35.0%	35.0%
Net Income (loss)	<b><u>\$380</u></b>	<b><u>\$487</u></b>	<b><u>\$350</u></b>	<b><u>\$476</u></b>
Net Margin	<b>10.3%</b>	<b>12.2%</b>	<b>8.3%</b>	<b>10.3%</b>
EPS	<b>\$5.33</b>	<b>\$6.72</b>	<b>\$4.83</b>	<b>\$6.57</b>
Share count	71	72	72	73

Source: Company reports and Litchfield Hills Research LLC

Figure 8 – VEON Ltd. – Balance Sheet (US\$000)

December ending year	2026E	2025E	2024A	2023A
<b>Balance sheet</b>				
Current Assets				
Cash and S.T.I.	\$3,008	\$2,182	\$1,761	\$1,902
Accounts receivable	559	500	463	542
Investments and derivatives	459	400	357	433
Inventories	20	18	15	23
Prepaid and other	<u>350</u>	<u>320</u>	<u>304</u>	<u>258</u>
<b>Total Current Assets</b>	<b>4,396</b>	<b>3,420</b>	<b>2,900</b>	<b>3,158</b>
PP&E	3,200	3,100	3,016	2,898
Other non-current	<u>2,300</u>	<u>2,200</u>	<u>2,120</u>	<u>2,162</u>
<b>Total Assets</b>	<b><u>\$9,896</u></b>	<b><u>\$8,720</u></b>	<b><u>\$8,036</u></b>	<b><u>\$8,218</u></b>
Current Liabilities				
Accounts payable and accrued	\$1,750	\$1,500	\$1,276	\$1,200
Debt and derivatives	2,200	1,900	1,739	1,773
Other current	<u>700</u>	<u>600</u>	<u>639</u>	<u>611</u>
<b>Total current liabilities</b>	<b>4,650</b>	<b>4,000</b>	<b>3,654</b>	<b>3,584</b>
Debt and derivatives	3,100	3,100	3,028	3,464
Other non-current	<u>100</u>	<u>100</u>	<u>97</u>	<u>99</u>
<b>Total Liabilities</b>	<b>7,850</b>	<b>7,200</b>	<b>6,779</b>	<b>7,147</b>
Stockholders' Equity				
Preferred stock				
Total stockholders equity	<u>2,046</u>	<u>1,520</u>	<u>1,257</u>	<u>1,071</u>
<b>Total Liabilities and equity</b>	<b><u>\$9,896</u></b>	<b><u>\$8,720</u></b>	<b><u>\$8,036</u></b>	<b><u>\$8,218</u></b>

Source: Company reports and Litchfield Hills Research LLC



Figure 9 – VEON Ltd. – Cash Flow (US\$000)

	2026E	2025E	2024A
Net Income	\$476	\$350	\$487
Accounts receivable	(59)	(37)	79
Investments and derivatives	(59)	(43)	76
Inventories	(2)	(3)	8
Prepaid and other	(30)	(16)	(46)
PP&E	(100)	(84)	(118)
Other non-current	(100)	(80)	42
Accounts payable and accrued	250	224	76
Debt and derivatives	200	134	(26)
Provisions	100	27	(8)
Other current	100	(39)	28
Debt and derivatives	0	72	(436)
Other non-current	0	3	(2)
Preferred stock	0	0	0
Commons stock	0	0	0
Additional paid in capital	50	(87)	(223)
Accumulated other comp. loss and other	0	0	0
Dividend and/or tax adj.			
Total Cash Flow	\$826	\$421	(\$141)

Source: Litchfield Hills Research LLC

#### Disclosures:

##### Analyst Certification

We, the Litchfield Hills Research Department, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject company and the underlying securities.

##### FINRA Compliant Research Report

We, the Litchfield Hills Research Department, hereby certify that this report is compliant with FINRA research rules 2241, 3110, and the report has been reviewed by a Supervisory Analyst.

##### MiFID II Compliant Research Report

Our research is classified as a minor non-monetary benefit under MiFID II. This applies to all forms of transmission, including email, website and financial platforms such as Bloomberg, FactSet, S&P Global, Refinitiv and 13 others. We do not seek payment from the asset management community and do not have any execution function. Investors can continue to receive our research under the MiFID II regime without the need for a contract for services to be put in place. This applies to all forms of transmission, including email, websites and financial platforms.

##### Litchfield Hills Research LLC Rating System

**BUY:** We expect the stock to provide a total return of 15% or more within a 12-month period.

**HOLD:** We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

**SELL:** We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

##### Other Disclosures

Litchfield Hills Research, LLC ("LHR") is not a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission nor a member of Financial Industry Regulatory Authority. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject LHR or any divisions, subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction.

All material presented in this report, unless specifically indicated otherwise, is under copyright to LHR and the subject company. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party,

without the prior express written permission of LHR or the subject company. All trademarks, service marks and logos used in this report are trademarks, service marks, registered trademarks, or service marks of LHR or its affiliates. The information, tools and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. LHR may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. The investments or services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable, appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. LHR does not offer advice on the tax consequences of investment, and you are advised to contact an independent tax adviser. LHR believes the information and opinions in the Disclosure Appendix of this report are accurate and complete. The information and opinions presented in this report were obtained or derived from sources LHR believes are reliable, but LHR makes no representations as to their accuracy or completeness.

#### **Ownership and Material Conflicts of Interest**

The analyst owns no shares of the subject company. The analyst and his family have no known material conflicts of interest in authoring this report.

#### **Investment Banking and Fees for Services**

Litchfield Hills Research has not received compensation for advisory or investment banking services from the Company in the past 12 months. Litchfield Hills Research LLC has received compensation from the subject company for distribution and investor targeting services on behalf of its client, the subject of this report.

#### **Market Making**

Litchfield Hills Research LLC does not make a market in the subject company's securities.

Additional information is available upon request. LHR accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to LHR. This report is not to be relied upon in substitution for the exercise of independent judgment.