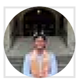
VEON: A Compounder Hiding In Plain Sight

Why I believe VEON is one of the most asymmetric opportunities currently available in public markets.



SAMIT UMATIYA

MAY 16, 2026

VEON (as of May 2026)

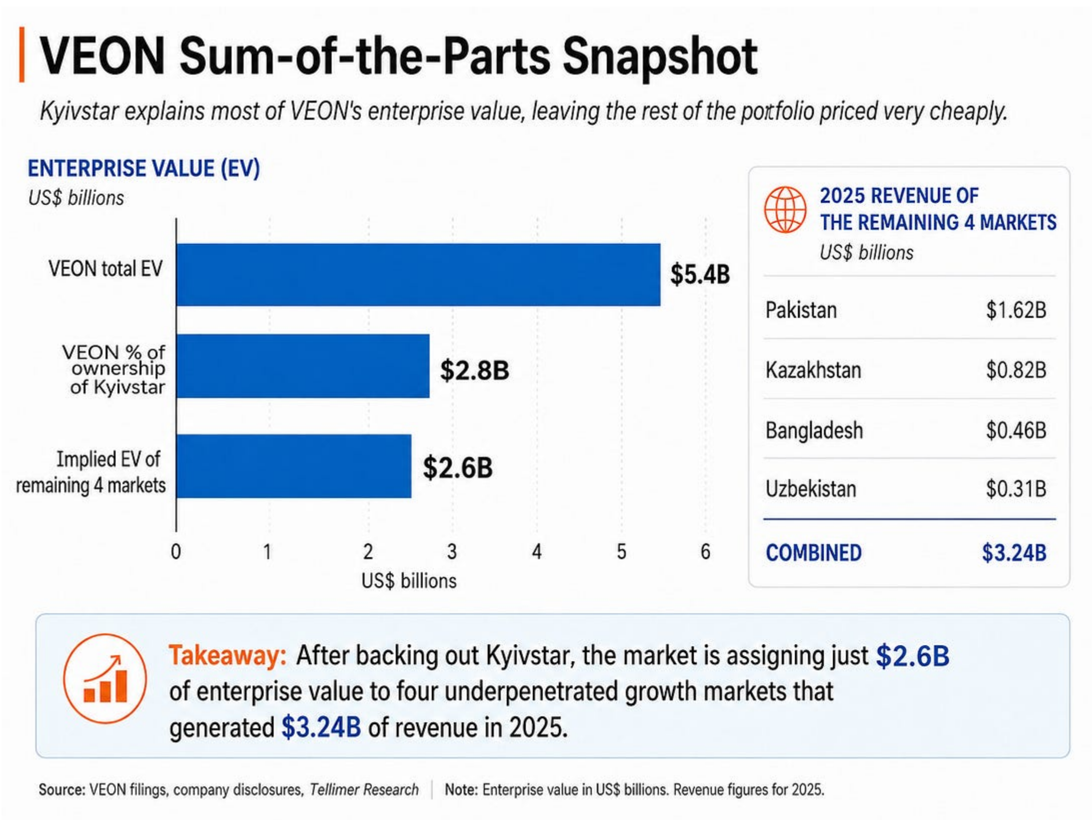
- **Share Price:** ~$54 per ADS
- **Market Capitalization:** ~$3.7 billion
- **Enterprise Value:** ~$5.4 billion
- **Net Debt:** ~$1.7 billion
- **2025 Revenue:** $4.4 billion
- **2025 EBITDA:** $2.0 billion
- **LTM Free Cash Flow:** ~$620+ million

Executive Summary

Three things to know before reading further.

First: the market is using the wrong mental model. VEON still gets priced like a frontier-market telecom. It is operating more and more like a telecom-enabled digital platform. Digital services now represent 25.3% of group revenue, growing at 57.7% year-over-year in Q1 2026. When a company is generating $303 million of digital revenue in a single quarter at a 34.6% EBITDA margin, the label "frontier telecom" no longer applies.

Second: the sum-of-the-parts valuation is striking. Kyivstar, VEON's Ukrainian subsidiary, trades separately on Nasdaq at roughly a $3.3 billion enterprise value (EV). With VEON's 83.6% stake in Kyivstar gets you to $2.8 billion, just for the Ukrainian subsidiary. VEON as a whole trades at approximately a $5.4 billion EV. Back out the Kyivstar stake and the market is assigning roughly $2.6 billion in combined value to Pakistan, Bangladesh, Kazakhstan, and Uzbekistan. Those four markets generated $3.24 billion in revenue in 2025 alone, growing at double-digit rates, with digital penetration that is still in the early innings.



Third: JazzCash is bigger than anyone gives it credit for. VEON's fintech arm in Pakistan processed $60 billion in transaction volume over the last twelve months. That is 15% of Pakistan's entire GDP flowing through a single mobile wallet. The platform serves 29.2 million monthly active users, has over 600,000 active merchants, and is issuing more than 200,000 nano-loans per day. This business is sitting inside what most investors dismiss as a frontier telecom, and it has never been independently valued by the market.

The valuation framework in three layers:

The floor is the Kyivstar stake. VEON owns 83.6% of a separately listed company currently valued at approximately $3.3 billion in enterprise value. VEON’s economic interest is roughly $2.8 billion at market. That is more than half of VEON’s total EV.

The base case is a simple revenue multiple on the remaining four markets. Apply 1x revenue, which is conservative below any credible peer comparison, and you arrive at $3.2 billion EV for Pakistan, Bangladesh, Kazakhstan, and Uzbekistan. Add the Kyivstar stake and you have already exceeded VEON’s current total EV before assigning any premium for growth, digital mix, or platform economics.

The upside case is a free cash flow story. Our 2027 target is $1 billion run rate of equity free cash flow. The business generated $246 million of equity free cash flow in just the first quarter of 2026, up 73.4% year-over-year. A company compounding FCF at that rate, in markets with this much runway, deserves a significantly higher multiple than what the market is currently paying. At 15x FCF on a $1 billion run rate, the implied value is closer to $200 per share.

The Gap/Our Philosophy

I started writing publicly because I think there is a gap between how investing is often discussed and how good investment thinking actually works.

A lot of equity research is either too surface-level or too technical. On one side, you get quick takes, price targets, and simple narratives. On the other, you get dense writeups full of jargon that make the writer sound smart but leave the reader more confused than when they started. I want to sit somewhere in the middle: rigorous enough for serious investors, but clear enough that someone new to the company can understand why the opportunity exists.

I am attracted to situations where the market has the information, but the story is messy enough that most investors stop before doing the real work. I have noticed that attractive opportunities are hidden in what I like to call complexities and that's where I find I have the most fun. Sometimes the complexity is accounting. Sometimes it is capital structure. Sometimes it is geography, political risk, currency risk, or a business that no longer looks like what it used to be. My goal is not to make investing sound complicated. It is the opposite: to take what looks complicated on the surface and reduce it to the few variables that actually matter.

VEON is exactly that kind of situation.

I have been studying VEON for several years. In that time, I have not come across a single serious published write-up on the business. That is unusual for a company generating $4.4 billion of annual revenue. VEON has accumulated every feature that causes most institutional investors to move on quickly: emerging-market currencies, geopolitical risk, war in an operating country, telecom accounting, capital controls, complex capital structure, and a business that no longer resembles what it was five years ago.

The result is a stock that trades at a fraction of what the underlying assets are worth.

What VEON Actually Is

The cleanest description I have for VEON is this: a company that uses telecom infrastructure as a distribution platform for digital services, in markets where those digital services are still being built from scratch.

The network brings the customer in. The digital layer captures more of that customer's economic life over time.

VEON operates across five markets: Pakistan, Ukraine, Kazakhstan, Bangladesh, and Uzbekistan. Combined, these markets serve a population of approximately 520 million people. That alone understates the opportunity, because the relevant metric is not population but penetration. Across VEON's footprint, only 52.5% of the population are internet users. Just 34.6% of people over 15 have a bank account. Only 33.3% of adults have ever made or received a digital payment.

Consumer macro metric	Pakistan	Ukraine	Kazakhstan	Bangladesh	Uzbekistan
Consumption economy (% GDP, 2016-20)	93	90	63	76	77
Informal economy (% GDP, 2020)	32	46	36	26	27
Population (million, 2024)	236	41	20	172	37
GDP per capita (current US$ 2024)	1,295	5,663	14,778	2,646	2,666
Youth population (% under 15 years old)	35	16	28	25	29
Urban density (sqkm, cities > 0.5m, 2020)	12,557	3,083	3,722	28,122	3,004

Table: Hasnain Malik • Source: WB, CEPR, IMF, UN, Demographia, Tellimer Research • Created with Datawrapper

In other words, VEON is not trying to take share from incumbents in a mature market. It is building the digital economy alongside the population that is entering it for the first time.

What makes VEON's position defensible is not the network itself. Any telecom can build a network, given enough capital and regulatory access. What makes VEON hard to displace is the accumulated position it has across every layer of the customer relationship: billing relationships built over years, retail distribution reaching into rural areas, existing app placement on hundreds of millions of devices, usage data from customers who have never had a financial product, and regulatory licenses that took years to obtain. A new entrant trying to replicate what VEON has in Pakistan would need to acquire spectrum, build infrastructure, navigate telecom and banking regulation simultaneously, establish merchant networks, and achieve customer trust in a market where the incumbent is already processing 15% of GDP in transaction volume. That is not a six-month problem.

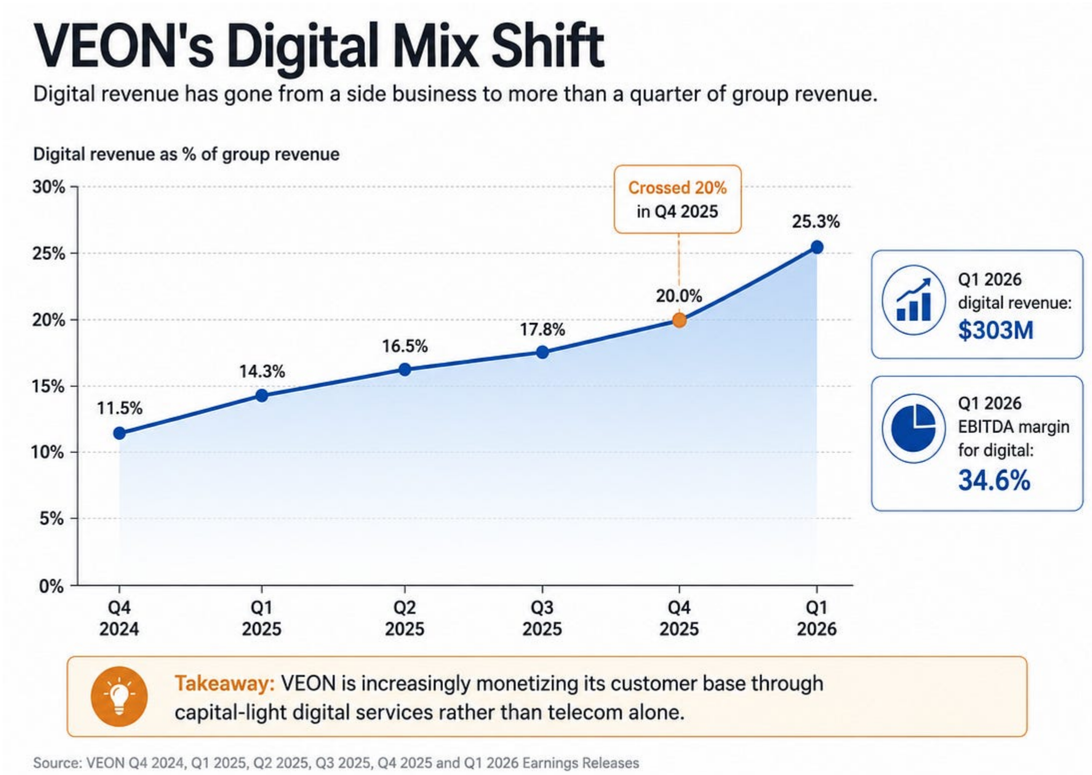
The CEO framed this well on a recent earnings call. The operational muscle required to manage war in Ukraine, economic instability in Pakistan, and political disruption in Bangladesh simultaneously is a skill that most companies have never developed. It is not a pleasant skill to need. But it is a real competitive moat, because the companies willing to develop it are few.

The Digital Transition

A year ago, the main debate about VEON was whether the digital strategy would ever show up in financial results.

In the first half of 2024, direct digital revenue was running at roughly $108 million per quarter. By Q4 2025, it reached $207 million in a single quarter. In Q1 2026, it hit $303 million, representing 25.3% of group revenue. The growth rate accelerated to 57.7% year-over-year, and digital EBITDA reached $105 million at a 34.6% margin.

The mix shift is happening faster than management originally modeled. At its 2024 Capital Markets Day, VEON was targeting roughly 1 percentage point of digital revenue share improvement per quarter. In Q1 2026, digital went from 14.3% to 25.3% of revenue year-over-year. The CEO said on the Q1 2026 call that the company now sees more than 50% of group revenues coming from digital by end of 2029, with roughly half of that growth organic and half from bolt-on acquisitions.



There is one reporting adjustment worth understanding. In Q1 2026, VEON reclassified $44 million of enterprise identity and credentials revenue into its Digital Enterprise vertical, with prior periods restated for comparability. Management was clear that even excluding this reclassification, comparable digital revenue growth was above 75%. The pace is actually faster than the headline number suggests.

What matters as much as the top-line growth is the breadth of it. This is not a one-app story. In Q1 2026, financial services contributed $135 million of digital revenue, enterprise services $63 million, entertainment $37 million, ride-hailing $33 million, premium digital brands $26 million, and healthcare $8 million. Each vertical is at a different stage of maturity. Financial services in Pakistan is already a scaled, profitable operation. Healthcare in Ukraine and ride-hailing via Uklon are earlier-stage but growing fast. Entertainment is monetizing content across multiple markets. That diversity is a crucial feature in the growth story as no single product or service is driving VEON’s topline.

There is one number that stands out above all the others. VEON reported 72.5 million digital-only users, meaning people who use VEON digital products without being telecom subscribers. The total digital customer count across all platforms reached 229 million. This matters conceptually because it means the app ecosystem has grown beyond a customer retention tool for the SIM card. VEON is becoming a platform with its own audience, which is a fundamentally different business than a telecom company with a few apps attached.

Why the Economics Work: The Multiplay Flywheel

The economic logic of VEON's strategy is simple once you see it clearly. The telecom business acquires the customer at relatively low cost, because VEON already owns the infrastructure and has the existing billing relationship. The digital layer then captures more of that customer's spending over time without requiring proportional new investment.

The proof is in the multiplay data.VEON has 45.8 million multiplay customers, representing more than 30% of the mobile base. These are customers who use both connectivity and at least one digital service. Their group mobile ARPU is $2.30, compared with $0.93 for voice-only users. That is a 3.9x ARPU differential on the same customer, using largely the same network infrastructure.

The churn math compounds this. Multiplay customers churn at roughly one-third the rate of voice-only subscribers. Think about this. A voice-only customer has one reason to stay: the service quality and price. A customer who has their mobile wallet, insurance policy, loan history, entertainment subscription, and healthcare records tied to their VEON account has six or seven reasons to stay and one very complicated reason to leave. Switching carriers means losing or migrating all of it. In markets where the alternative carrier may not offer any of those digital services at all, the switching cost is effectively prohibitive.

This is what the company means when it describes competing “ecosystem versus standalone product.” A fintech startup in Pakistan can build a wallet app. It cannot replicate the distribution advantage VEON has from 150 million telecom subscribers who already have the JazzCash app installed and a billing relationship with the company. The competitive moat gets wider as more services are added, because each additional service increases the switching cost for every customer using it.

The other piece of the economics worth understanding is the capital intensity difference between telecom and digital. Telecom infrastructure requires roughly 20-25% of revenue in capital expenditure to maintain and grow. Digital services require somewhere in the high single digits. Both segments produce similar cash conversion rates of around 20% of revenue. But digital is growing at 57% per year while consuming far less incremental capital to support that growth. As digital becomes a larger share of the mix, FCF scales disproportionately to revenue, which is exactly what you want to own.

VEON demonstrated this in Q1 2026. Revenue grew 17.0%, EBITDA grew 17.7%, and equity free cash flow grew 73.4%. The divergence between revenue growth and FCF growth is the asset-light digital scaling in action. As that mix continues to shift, the cash generation story becomes progressively cleaner.

Pakistan: The Proof Case

Pakistan deserves its own section because it is not just the largest market. It is the clearest demonstration that the VEON playbook actually works at scale.

Jazz, VEON's Pakistani subsidiary, generated $465 million of revenue in Q1 2026, up 20.4% year-over-year. EBITDA reached $209 million, up 29.2%. Digital revenue was $172 million, or 36.9% of local revenue, the highest digital mix in the group. Those are not emerging-market telecom numbers. Those are platform numbers.

JazzCash is the asset the market is undervaluing. JazzCash serves 29.2 million monthly active users, has over 600,000 active merchants, processes more than 200,000 loans per day, and handled $60 billion in transaction value over the last twelve months. That last figure represents 15% of Pakistan's entire GDP. For context, PayPal's total payment volume as a percentage of US GDP is meaningfully lower than that, and PayPal is one of the most recognizable fintech brands in the world.

JazzCash, combined with Mobilink Bank, now has 60 million bank accounts, making it the largest financial services institution in the country by account base. Lending revenue represents slightly more than half of the total financial services revenue, and the Mobilink Bank loan portfolio has reached $289 million. Management is actively pursuing a full digital banking license, which would unlock wealth management and remittance products. Pakistan receives 30% of its GDP in remittances from the diaspora. That is a business VEON cannot fully monetize today without a banking license. The acquisition of Apna Microfinance Bank is the first move toward fixing that.

The spectrum auction earlier this year matters a lot here. Jazz won the largest allocation in Pakistan's March 2026 spectrum auction, securing 190 MHz for $239.5 million, payable in local currency over time with a grace period before payments begin. The reason this is significant is the constraint it solves. Average mobile data consumption in Pakistan is approximately 7.5 gigabytes per month. In the United States, the equivalent figure exceeds 20 gigabytes. That gap is not demand. Pakistani consumers want to consume more data. The constraint is network capacity. The new spectrum, particularly the 700 MHz allocation that will serve as a coverage layer for both 4G and 5G, directly removes the ceiling that has been capping usage growth. More data usage means higher ARPU, which means more fintech transactions, more entertainment engagement, and more digital product monetization.

There is also an insurance angle worth tracking. VEON is acquiring TPL Insurance, which would give JazzCash a General Insurer License and the ability to embed life and health cover directly into payment and lending flows. A user taking a nano-loan can be offered insurance in the same transaction. This kind of embedded finance, pricing risk using VEON's own behavioral data on hundreds of millions of users, is what separates a financial services platform from a simple payments app.

Ukraine: The Crown Jewel

Ukraine is where the most value sits and where the uncertainty is highest. Both things are true simultaneously.

Kyivstar generated $325 million of revenue in Q1 2026, up 26.7% year-over-year, and $174 million of EBITDA, up 21.8%. Digital revenue surged 257% to $67 million, driven by the consolidation of Uklon (ride-hailing), Tabletki (healthcare marketplace), and continued growth in Kyivstar TV and the Helsi e-health platform. The business is operationally strong by any measure.

The listing of Kyivstar on Nasdaq in August 2025 was significant for two reasons. First, it crystallized a market value for an asset that was previously invisible inside VEON's consolidated accounts. At the current Kyivstar market capitalization, VEON's 83.6% stake is worth approximately $2.8 billion at market. Second, it created a currency for capital allocation. VEON can now use the Kyivstar listing to attract strategic partners, raise capital locally, or enable Ukrainian and international investors to participate directly in the recovery story.

The strategic logic in Ukraine is about position sizing for the post-war period. VEON has invested $1.3 billion in Ukraine between 2023 and 2026, well ahead of its original $1 billion commitment. That includes the Uklon acquisition, the Tabletki consolidation, continued expansion of Helsi (the largest e-health platform in Ukraine), and resilience investments in the network. VEON is building the digital infrastructure for a country that will need large-scale reconstruction. When the war ends, and economic activity normalizes, VEON will own the dominant telecom network, the leading ride-hailing platform, the leading e-health platform, and one of the leading entertainment platforms in a country of 40-plus million people rebuilding their economy.

One number that rarely gets attention: VEON noted that Kyivstar's user base has grown 20% since the war started. Ukrainians who have left the country, roughly two million of them, are continuing their subscriptions. The churn did not materialize. That is remarkable stickiness in the most difficult imaginable operating environment, and it tells you something real about the quality of the customer relationship.

The risk is obvious and real. About 5% of Kyivstar's combined telecom network has been damaged or destroyed as of December 2025, with roughly 82% of that damage restored. The cash flow is partially trapped: under martial law, Kyivstar can upstream only $1 million per month to VEON's headquarters. The war is ongoing and its duration and outcome are unknowable. VEON is reinvesting Kyivstar's generated cash domestically, which is why the digital expansion in Ukraine has been so aggressive. This is the right call strategically, but it means Ukraine's value contribution to VEON's FCF at the holding company level remains limited until martial law is lifted.

The way to think about Ukraine in the investment thesis is as a long-dated call option with a known floor. The Kyivstar Nasdaq listing has established a public market value. VEON's stake at that value accounts for a meaningful portion of total enterprise value. If the situation normalizes, the upside to the current Kyivstar market price is substantial. If it does not, the other four markets carry the thesis on their own.

Kazakhstan, Uzbekistan, Bangladesh: The Steady Compounders

Kazakhstan is the most mature market in the group and the one that occasionally produces messy quarterly numbers because of tax comparisons and cost timing. In Q1 2026, revenue rose 13.1% to $212 million and digital revenue rose 18.2% to $36 million. EBITDA slipped 3.9% to $91 million, reflecting higher VAT and a less favorable device mix. That is a real cost pressure, not a trend reversal. The underlying business continues to grow.

What Kazakhstan shows is that the VEON digital playbook can work in a more developed emerging market as well. Beeline Kazakhstan runs the Janymda superapp, the Simply financial platform, BeeTV entertainment, and IZI (a youth-focused entertainment app). QazCode, the technology arm, has built one of the world's first Kazakh-language large language models (Kaz-LLM) and has a team of roughly 800 engineers. In a market where AI adoption is being discussed at the national level, owning the infrastructure and the engineering talent is a meaningful strategic position.

VEON is also pursuing the acquisition of OLX Kazakhstan, the country's dominant classifieds and e-commerce marketplace. If completed, this would add a large audience and a marketplace monetization layer to the Beeline ecosystem, similar to what ride-hailing adds in Ukraine. This kind of bolt-on, buying adjacent digital audiences in existing markets, is far lower risk than greenfield digital expansion, and management is executing it at a pace that the market has not fully digested.

Uzbekistan is quieter but structurally attractive. In Q1 2026, revenue increased 13.6% in dollar terms while digital revenue rose 34.5%. ARPU grew 11.4% and data usage jumped 64.5%. Uzbekistan has a population that is 47% under 25 and 40% of adults remain unbanked. The Beepul fintech platform and the Hambi superapp are gaining users fast. This is a market at an earlier stage of the VEON playbook than Pakistan or Ukraine, which means the compounding is ahead of it rather than already visible in the numbers.

Bangladesh deserves a mention because it was one of the most persistent sources of negative sentiment about VEON for the past two years. Civil unrest, higher taxes, network disruptions, and macroeconomic pressure led to five consecutive quarters of year-over-year revenue decline. In Q1 2026, revenue finally returned to growth up 4.2% with EBITDA growing 23.1%. Digital revenue reached $14 million from a very small base. The turnaround is early and unproven, but the direction has changed. The market was pricing permanent deterioration. What appears to be happening instead is cyclical normalization.

Bangladesh matters for the long-term thesis because of its demographic profile: 170 million people, average age 26, extreme population density, a large diaspora sending remittances, and very low digital financial services penetration. If JazzCash in Pakistan is the proof case, Bangladesh is the next greenfield. VEON recently signed an agreement with Starlink Mobile to integrate satellite connectivity in remote areas, the same approach already deployed in Ukraine and Kazakhstan, expanding coverage into areas the terrestrial network has not reached.

The Valuation: Why This Is Still Interesting

The most compelling part of the VEON thesis is that you do not need anything heroic to happen for the stock to work.

Start with what is already in market. VEON's stake in Kyivstar, based on the Nasdaq market price, is worth approximately $2.8 billion. VEON's EV is roughly $5.4 billion. So the Kyivstar stake alone accounts for more than half of total market cap. Every other asset in the portfolio, Pakistan, Bangladesh, Kazakhstan, Uzbekistan, the group's digital platform, the fintech ecosystem, the enterprise tech businesses, all of it, is currently valued at around $900 million of equity, or roughly $2.6 billion of enterprise value after backing out Kyivstar.

Now look at what those four markets actually generate. FY2025 revenues: Pakistan at $1.62 billion, Kazakhstan at $816 million, Bangladesh at $460 million, and Uzbekistan at $308 million. Total: $3.24 billion. This translates to $1.46 billion in EBITDA and $430m in equity FCF in for the markets ex-Ukraine. All of this is on a valuation of $900m in MV and $2.6 billion in EV. HOW ABSURD! These are not declining assets. They are growing at mid-to-high teens in local currency with accelerating digital mixes. Applying 1x revenue to those four markets gives $3.24 billion of enterprise value. At that level, before applying any multiple for growth or digital platform economics, the four non-Ukraine markets alone are worth about two-thirds of VEON's total EV.

The JazzCash angle is worth isolating because it illustrates how distorted the valuation has become. MTN Mobile Money, which operates in much less penetrated markets than JazzCash and at lower transaction volumes, has been valued at multiples well above 1x revenue in third-party deals. Airtel Africa's fintech business has attracted strategic investors at substantial premiums to its telecom parent's implied value. JazzCash is processing $60 billion of annual transactions, growing at double-digit rates, and has never been independently valued. Management has acknowledged that the company will eventually look at crystallizing value in the fintech business, whether through a strategic investor or a separate listing. When that happens, the gap between the current implied value and any reasonable market-based valuation will become impossible to ignore.

On a FCF basis, the math looks similarly compelling. VEON generated $246 million of equity free cash flow in Q1 2026, which annualizes to roughly $1 billion. We target a run rate of $1 billion of FCF by 2027. Net debt excluding leases stood at $1.76 billion with leverage at 1.07x EBITDA. That is a clean balance sheet for a business of this size and complexity. The buyback program (minimum $100 million annually, with future repurchases to be canceled rather than held as treasury stock) is an active component of capital return. Management collectively owns 1.84% of the company, a meaningful stake given the share count.

At 15x FCF, which is a below-market multiple for any quality digital platform, the implied equity value is $15 billion. That is more than four times the current market cap. You do not have to believe in a perfect outcome. You have to believe VEON sustains its current FCF trajectory, continues the digital mix shift, and the market eventually updates its mental model. All three of those things appear to be happening already.

What Could Go Wrong

Currency and translation risk is the most constant headwind. VEON reports in US dollars but earns in Pakistani rupees, Ukrainian hryvnias, Kazakhstani tenge, Bangladeshi taka, and Uzbekistani som. A stronger dollar or a broad emerging-market currency sell-off can make the reported numbers look worse than the operational reality. This cut both ways in 2024 and 2025, benefiting VEON when the dollar was weak. Management acknowledged on the Q1 2026 call that part of the guidance upgrade for 2026 reflects the weaker dollar environment. The reverse is also possible.

Ukraine is a real risk. The war is ongoing. About 5% of Kyivstar's network infrastructure has been damaged or destroyed. Cash flows are effectively trapped under martial law: only $1 million per month can be upstreamed to the holding company. Kyivstar's value is real and visible at market, but it is also partially illiquid from VEON's perspective until martial law is lifted. Any escalation in the conflict, damage to critical network infrastructure, or adverse legal developments around assets in occupied regions would be material.

Inflation and energy costs are emerging as a near-term pressure. Management was straightforward on the oil price situation in South Asia, where regional energy prices have risen sharply. In Bangladesh particularly, there have been fuel availability issues. Management kept EBITDA guidance unchanged while raising revenue guidance, which implies a degree of margin caution for the rest of 2026. The CEO attributed the stability to pricing power and service differentiation, but acknowledged that inflation in VEON's markets may move from 8% to double digits. This is something to watch throughout the year.

Execution risk is real and growing. VEON is no longer just operating telecom networks. It is integrating acquisitions (TPL Insurance, Apna Bank, Tabletki), building local-language AI models, expanding into insurance and digital banking, launching enterprise AI platforms, and managing a portfolio of ride-hailing, entertainment, and healthcare businesses simultaneously. The 2027 targets are ambitious. Management has a track record of delivery, having exceeded its prior 2021-era plan period targets despite the Ukraine war and Bangladeshi disruption. That record does not guarantee the next plan period, but it earns more than the usual skepticism discount applied to telecom management guidance.

Capital intensity is temporarily elevated. Raising capex guidance to 15-17% of ex-Ukraine revenue for 2026, driven by the Pakistan spectrum deployment, will weigh on near-term free cash flow conversion. This is almost certainly the correct capital allocation decision given the demand environment in Pakistan. But it means the FCF story in 2026 will look messier than the underlying trajectory warrants.

The risks are calibrated. VEON is not a distressed balance sheet story. It is not dependent on a single market or product. It has a management team with a demonstrated ability to operate through genuine adversity. The risks are real and worth pricing in. They do not change the fundamental asymmetry between what the business is worth and what it currently trades at.

The Bigger Picture: AI in Emerging Markets Is Not What You Think

There is one dimension of the VEON story that does not yet show up in the numbers but which I think is genuinely important for the long-term thesis.

In the United States and Western Europe, AI is largely framed as a productivity enhancer. It makes a developer faster, a lawyer more efficient, a marketer more creative. The incremental value of AI to an American professional who already has Google, a smartphone, a bank account, health insurance, a primary care physician, and a ride-hailing app is real but marginal.

In Pakistan, a rural farmer who has never had access to a doctor, a loan officer, or an agricultural advisory service has a fundamentally different relationship with the arrival of an AI-powered service. In emerging markets, AI is a service creator, not just an efficiency tool. VEON is building sovereign local-language AI, its Ukrainian LLM is named Syaivo and was chosen by Ukrainian citizens, and is deploying it across customer care, healthcare guidance, agricultural advice, and enterprise services. The Simosa AI care agent in Pakistan already handles nearly 1 million customer journeys per month autonomously. Management sees that growing tenfold in two years.

The marginal utility of an AI-powered doctor in a rural Pakistani village, where there is no doctor otherwise, is not 10% better. It is categorically different. That asymmetry is immeasurable and not reflected in any valuation models I have seen applied to VEON.

The other demographic reality worth naming directly: the average population age across VEON's five markets ranges from 22 in Pakistan to 31 in Kazakhstan. The US average is 40. VEON is building digital habits in populations that will spend the next several decades as economically active consumers, increasingly connected, increasingly banked, and increasingly reliant on the digital services ecosystem VEON is building around them. The compounding on that demographic tailwind is not a 2026 story. This is a decade-long story.

The Bottom Line

VEON is, right now, one of the more interesting underfollowed international investment situations in public markets. Not because emerging-market telecoms have become exciting. They have not. But because VEON has stopped being an emerging-market telecom in any meaningful analytical sense.

A company where 25% of revenue comes from digital services growing at 57% per year, where the fintech business processes 15% of Pakistan's GDP in annual transactions, where the separately listed Ukrainian subsidiary trades at over half of the parent's total enterprise value, and where FCF is growing at 73% in a single quarter, does not belong in the same category as a traditional telecom operator. The mental model update is the whole thesis.

The information is there. It is available in every quarterly earnings release, the capital markets day presentation, every earnings transcript. The story is just complicated enough that most people stop before doing the work. Sum-of-parts arithmetic points to a floor valuation meaningfully above the current price, before assigning any value for the growth optionality in Pakistan fintech, the post-war recovery in Ukraine, the AI buildout, or the potential for independent monetization of the digital assets.

None of this requires a perfect outcome. It requires the market to gradually update their misperception of VEON.

I think that update is underway.