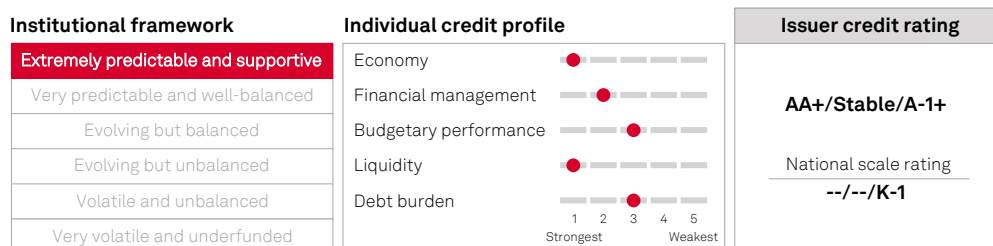


City of Uppsala

November 24, 2025

This report does not constitute a rating action.

Ratings Score Snapshot



Primary Contact

Linus Bladlund
Stockholm
46-8-440-5356
linus.bladlund
@spglobal.com

Secondary Contact

Freja L Dobreff
Madrid
34-682-489-268
freja.dobreff
@spglobal.com

Credit Highlights

Overview

| Credit context and assumptions | Base-case expectations |
|--|--|
| - Sweden's extremely predictable and supportive institutional framework supports Uppsala's credit quality. | - Operating balances will likely be subdued due to large temporary costs in preparation for tram investments. |
| - The resilient Swedish economy and strong local fundamentals support Uppsala's tax revenue growth. | - Capital expenditure, mainly in core infrastructure, will remain elevated through 2027, although sizable cofinancing contributions from the central government will offset the financial impact and mitigate debt accumulation. |
| - Strong budget discipline offsets risks related to increasing spending and large investment needs. | - We expect the financial management will maintain the strong liquidity position. |

The 'AA+' rating reflects S&P Global Ratings' view of the high predictability and supportiveness of the institutional framework under which the Swedish City of Uppsala operates. It also reflects the city's solid local economy, budgetary discipline, and risk-averse financial policies.

Large investments in infrastructure will weigh on Uppsala's budgetary performance over our forecast period. The main project concerns building a tramway network to improve commuting options within the city. As a result, capital expenditure (capex) is set to be elevated, especially between 2027 and 2029, although delays could occur. These investments will, however, be cofinanced by the central government, mitigating the financial impact on the city.

Analytical Group Contact

Sovereign and IPF EMEA
SOVIPF
@spglobal.com

We project a gradual increase in debt of the municipal companies group. In addition to the city's own capex, we expect sizable investment needs within the company sector. The housing company Uppsalahem AB, the school property company Uppsala Kommun Skolfastigheter AB, and the water and waste company Uppsala Vatten och Avfall AB, will be the main drivers increasing debt throughout the forecast period. As a result, we currently forecast Uppsala's direct debt as a percentage of operating revenue will reach 113% in 2027, up from 92% in 2024.

Outlook

The stable outlook reflects our view that Uppsala will maintain sound budgetary performance, including moderate budget deficits after capital accounts and a controlled debt increase, despite large upcoming infrastructure-related expenditure.

Downside scenario

We could lower the rating if we observe a significantly weaker budgetary performance, for example, driven by weaker spending controls and budget overruns in investment plans, resulting in an increased debt burden well beyond our current projections. This could put pressure on Uppsala's liquidity position.

Upside scenario

We could raise the rating if Uppsala posts stronger-than-expected budgetary performance, for example, thanks to expenditure controls amid large investments, putting its debt ratio on a declining path.

Rationale

Uppsala's growing local economy and Sweden's robust institutional framework continue to underpin the rating

We regard the institutional framework for Swedish local and regional governments (LRGs) as extremely predictable and supportive. In our view, the framework displays a high degree of stability, and the LRG sector's revenue and expenditure management is based on a far-reaching equalization system and tax autonomy. Historically, the central government has provided extensive support to LRGs, for example through grants distributed in response to the pandemic or, more recently, to cover rising pension costs (for more information, see "[Swedish Municipalities And Regions Have Flexibility To Balance Costs](#)," Nov. 29, 2023).

Overall, we have a positive view of Uppsala's financial management, underpinned by a solid track record of budgetary discipline. Since the previous election, a left-green minority coalition governs the city. In general, we have observed a strong consensus regarding the city's long-term plans and financial steering, although there are dissenting views regarding the city's expansion and the related public transport infrastructure projects. Moreover, we regard Uppsala's treasury management as sophisticated and risk-minimizing, supporting the strong liquidity position.

Uppsala benefits from Sweden's strong economic fundamentals, as demonstrated by our national GDP per capita estimate of about \$59,000 in 2025. Uppsala is the fourth-largest city in Sweden, benefitting from its proximity to the Stockholm area and from being the home of one of Sweden's largest universities. Although population growth in Sweden has decreased notably, we think that Uppsala will be less affected than many other Swedish LRGs. Uppsala also has a well-

educated work force, with income and employment levels roughly on par with the national averages.

Sizable capex on infrastructure will lead to widening deficits and increased debt, but liquidity will remain strong

We expect Uppsala's operating balances to be subdued through 2027, because large nonrecurring expenditure related to infrastructure projects will weigh on financial performance. Consequently, we project operating budget balances will remain below 5% of operating revenue on average in the coming years. On the other hand, tax revenue growth is expected to remain solid in the same period while we expect financial management will remain committed to containing expenditure growth.

Capex is set to increase in the coming years, mostly driven by larger outflows to finance the construction of a tramway system. That said, questions remain regarding the timing of these outflows as delays in execution are likely. Recently, the city's request to build a bridge as part of the infrastructure network was rejected for environmental considerations. It remains to be seen when a resolution will be reached, but this process could lead to delays in the execution of the entire tramway project. The increased capital spending will also be offset by sizable cofinancing contributions from the central government, limiting the financial impact on Uppsala. Moreover, the city will likely continue making large investments in school properties in the near future, although investment needs in the medium term are subject to a potential downside revision as demographic changes will likely reduce the demand for new schools. These investments are undertaken by the fully owned subsidiary Uppsala Kommun Skolfastigheter, which we consolidate with the city's capital accounts. Investments in water and waste infrastructure, carried out by the fully owned subsidiary, Uppsala Vatten och Avfall AB, are set to increase toward the end of the decade, a trend that could continue into the next as the need to upgrade existing infrastructure and increase capacity will remain high. We anticipate that the city's other companies will also have sizable investments in the coming years. This is primarily related to the housing company, Uppsalahem AB. Earlier in 2025, the company also acquired a large number of residential units.

Owing to large investment needs, both at the city and the municipal sector levels, we project Uppsala's debt burden to grow through 2027, both in nominal and relative terms. Direct debt as a share of operating revenue is set to increase to 113% in 2027 from 92% in 2024. At the same time, we continue to regard the city's contingent liabilities, including its joint and several guarantee to Kommuninvest i Sverige AB, as limited.

We expect Uppsala's liquidity will remain solid due to its ample contracted facilities and strong access to capital markets. We estimate that available cash and committed bank lines will cover 136% of maturing debt over the next 12 months. The city primarily uses committed credit facilities from banks to handle its liquidity needs and reduce refinancing risk. Uppsala has a strong track record of maintaining a robust liquidity position and this our expectation for the coming years, as well. Moreover, we view Uppsala's access to external liquidity as strong, in line with that of most other rated Swedish municipalities.

City of Uppsala Selected Indicators

| Mil. SEK | 2022 | 2023 | 2024 | 2025bc | 2026bc | 2027bc |
|-----------------------|-------------|-------------|-------------|---------------|---------------|---------------|
| Operating revenue | 17,788 | 18,939 | 19,749 | 20,434 | 21,117 | 21,923 |
| Operating expenditure | 16,519 | 17,676 | 18,513 | 19,245 | 20,094 | 20,937 |
| Operating balance | 1,269 | 1,263 | 1,236 | 1,190 | 1,023 | 986 |

City of Uppsala Selected Indicators

| | | | | | | |
|--|----------|----------|----------|----------|----------|----------|
| Operating balance (% of operating revenue) | 7.1 | 6.7 | 6.3 | 5.8 | 4.9 | 4.5 |
| Capital revenue | 132 | 194 | 260 | 74 | 141 | 256 |
| Capital expenditure | 2,197 | 1,642 | 2,042 | 1,356 | 1,410 | 1,927 |
| Balance after capital accounts | (796) | (185) | (546) | (92) | (246) | (685) |
| Balance after capital accounts (% of total revenue) | (4.4) | (1.0) | (2.7) | (0.5) | (1.2) | (3.1) |
| Debt repaid | 4,020 | 4,070 | 4,070 | 3,050 | 4,300 | 4,530 |
| Gross borrowings | 4,736 | 4,303 | 5,070 | 5,535 | 5,817 | 6,571 |
| Balance after borrowings | 46 | (956) | (195) | 227 | 0 | 0 |
| Direct debt (outstanding at year-end) | 17,100 | 17,180 | 18,180 | 20,665 | 22,182 | 24,223 |
| Direct debt (% of operating revenue) | 96.1 | 90.7 | 92.1 | 101.1 | 105.0 | 110.5 |
| Tax-supported debt (outstanding at year-end) | 18,154 | 18,099 | 18,689 | 20,974 | 22,491 | 24,532 |
| Tax-supported debt (% of consolidated operating revenue) | 87.9 | 82.6 | 81.8 | 88.6 | 91.9 | 96.6 |
| Interest (% of operating revenue) | 1.2 | 1.5 | 2.2 | 2.3 | 2.4 | 2.6 |
| Local GDP per capita (\$) | -- | -- | -- | -- | -- | -- |
| National GDP per capita (\$) | 55,018.5 | 55,029.0 | 57,214.9 | 59,135.3 | 65,190.5 | 68,527.6 |

The data and ratios above result in part from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. The main sources are the financial statements and budgets, as provided by the issuer. bc--Base case reflects S&P Global Ratings' expectations of the most likely scenario. SEK--Swedish krona. \$--U.S. dollar.

City of Uppsala Rating Component Scores

| Key rating factors | Scores |
|----------------------------|--------|
| Institutional framework | 1 |
| Economy | 1 |
| Financial management | 2 |
| Budgetary performance | 3 |
| Liquidity | 1 |
| Debt burden | 3 |
| Stand-alone credit profile | aa+ |
| Issuer credit rating | AA+ |

S&P Global Ratings bases its ratings on non-U.S. local and regional governments (LRGs) on the six main rating factors in this table. In the "Methodology For Rating Local And Regional Governments Outside Of The U.S.," published on July 15, 2019, we explain the steps we follow to derive the global scale foreign currency rating on each LRG. The institutional framework is assessed on a six-point scale: 1 is the strongest and 6 the weakest score. Our assessments of economy, financial management, budgetary performance, liquidity, and debt burden are on a five-point scale, with 1 being the strongest score and 5 the weakest.

Key Sovereign Statistics

- [Sovereign Risk Indicators](https://www.spglobal.com/ratings/sri/), Oct. 9, 2025. An interactive version is available at <https://www.spglobal.com/ratings/sri/>

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Governments | International Public Finance: Methodology For Rating Local And Regional Governments Outside Of The U.S.](#), July 15, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Institutional Framework Assessments For Local And Regional Governments Outside Of The U.S.](#), Sept. 10, 2025
- [Research Update: Sweden 'AAA/A-1+' Ratings Affirmed; Outlook Stable](#), June 13, 2025
- [Sweden-Based Local Government Funding Agency Kommuninvest i Sverige AB Affirmed At 'AAA/A-1+'; Outlook Stable](#), Oct. 30, 2024
- [Nordic Public Finance Credit Outlook 2024: A Mixed Picture](#), May 16, 2024
- [Swedish Municipalities And Regions Have Flexibility To Balance Costs](#), Nov. 29, 2023
- [Kommuninvest i Sverige AB](#), Oct. 27, 2025

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see 'Related Criteria And Research'). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Ratings Score Snapshot above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see 'Related Criteria And Research').

Ratings Detail (as of November 20, 2025)*

| | |
|--|-----------------|
| Uppsala (City of) | |
| Issuer Credit Rating | AA+/Stable/A-1+ |
| <i>Nordic Regional Scale</i> | --/--/K-1 |
| Commercial Paper | |
| <i>Local Currency</i> | A-1+ |

Ratings Detail (as of November 20, 2025)*

| | |
|-------------------------------|---------------------------------|
| Senior Unsecured | AA+ |
| Issuer Credit Ratings History | |
| 24-May-2024 | AA+/Stable/A-1+ |
| 25-Nov-2022 | AA+/Positive/A-1+ |
| 06-Dec-2013 | AA+/Stable/A-1+ |
| 31-Dec-1998 | Nordic Regional Scale --/--/K-1 |

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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