Research Update:

# Swedish Region of Uppsala Assigned 'AAA/A-1+' Ratings; Outlook Stable

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## Overview

- Sweden's Region of Uppsala demonstrates strong budgetary performance, very low debt, and an excellent liquidity position, and we expect it will maintain strong operating balances through 2028, thanks to solid tax revenue growth and continued cost containment.
- The region faces significant medium-to-long-term investment needs related to its university hospital, Akademiska Sjukhuset in Uppsala, and public transportation infrastructure, but capital spending and debt accumulation should remain contained over 2026-2028.
- We assigned our 'AAA' long-term and 'A-1+' short-term ratings to the Region of Uppsala, with a stable outlook on the long-term rating.

## Rating Action

On Nov. 20, 2026, S&P Global Ratings assigned its 'AAA' long-term and 'A-1+' short-term issuer credit ratings to the Swedish Region of Uppsala. The outlook is stable.

## Outlook

The stable outlook reflects our view that the Region of Uppsala will maintain robust budgetary performance, containing its already very low debt burden.

### Downside scenario

We could lower the ratings if the region's management fails to maintain solid operating performance and contain capital spending, leading to a substantial increase in debt beyond our expectation.

## Rationale

The 'AAA' rating on the Region of Uppsala partly reflects our view of the high predictability and supportiveness of Sweden's institutional framework for local and regional governments (LRGs),

together with the region's strong economy. The region also has a track record of generating healthy cash flows from operations, which we expect will continue.

Uppsala faces significant investment needs in the medium to long term that will require additional debt financing. That said, its debt burden is currently very low, and we expect it will remain contained through 2028. Moreover, the region benefits from an excellent liquidity position, due to sizeable buffers of financial assets combined with minimal debt repayments.

## An extremely supportive institutional framework and solid socioeconomic fundamentals underpin the rating

We view the institutional framework in Sweden as extremely predictable and supportive, and it displays a high degree of stability. The LRG sector's revenue and expenditure management is based on a far-reaching equalization system and bolstered by tax autonomy. Historically, the central government has provided the sector with extensive support; for example, it distributed additional grants in response to the pandemic and, more recently, to cover rising pension costs (see "Swedish Municipalities And Regions Are Shifting Capex To Replace Aging Infrastructure," Dec. 11, 2025).

Overall, we have a very positive view of the region's financial management. After the 2026 election, the region remains governed by a coalition led by the Social Democrats. There seems to be general consensus regarding long-term plans and financial steering. Structurally, the region appears committed to budgetary discipline and cost control, as demonstrated by its strong cash flow generation and low debt. Moreover, management displays sound liquidity management, supported by continuously investing cash surpluses in financial assets, the market value of which has increased notably in recent years.

The region has a strong economic foundation with a diverse labor market, also benefitting from its proximity to the Stockholm area and from being the home of one of Sweden's largest universities. The region's socioeconomic profile is characterized by high income levels, a well-educated population, lower-than-average unemployment rates, and sustained population growth. Uppsala is projected to experience the strongest population growth of any region in Sweden through 2035. The region also benefits from Sweden's strong economic fundamentals, as demonstrated by our national GDP per capita estimate of about $69,700 in 2026.

## Strong budgetary performance, very low debt, and excellent liquidity are key credit strengths

We expect the region will continue posting strong operating balances, since tax revenue growth is set to gradually strengthen through 2028 in line with the general economy. At the same time, we believe management will continue implementing cost-cutting measures, notably within Uppsala University Hospital (Akademiska Sjukhuset). Consequently, we expect the region will uphold operating balances comfortably above 5% and comply with the balanced budget requirement.

The region faces substantial investment needs in the medium to long term, notably associated with Akademiska Sjukhuset. This is a large project that will likely span decades and is intended to modernize the hospital to meet the healthcare needs of future generations. The other major project is the construction of a new tramway system in the city of Uppsala, for which the region's primary capital spending commitment is for building a tram depot. At completion, the region will also be responsible for operating the system. That said, the track infrastructure will be financed by the city of Uppsala, with cofunding from the central government. The project has encountered a few setbacks. In 2025, the city's request to build a bridge as part of the infrastructure network

was rejected, partly due to environmental considerations. It remains to be seen when a resolution will be reached, but a delay in this process will lead to the entire tramway project being postponed. Overall, we project a gradual increase in capital expenditure through 2028, but cash flows after investments should remain positive for the time being.

Consequently, we don't expect any material debt accumulation in the near future. Instead, it should come in the medium to long term as capital spending stabilizes at higher levels. The region's consolidated debt portfolio consists of a healthcare bond and loans to the 100%-owned bus-operating company Gamla Uppsala Buss AB. Moreover, we regard the region's contingent liabilities, including its joint and several guarantee to Kommuninvest i Sverige AB (AAA/Stable/A-1+), as limited.

We assess the region's liquidity position as very strong, supported by ample sources of liquidity, including cash holdings, a checking account, and financial assets. The latter are managed primarily in the form of mutual funds, with a mix of underlying exposure to stocks and fixed-income securities. The region's financial assets are divided into two portfolios, the first of which is meant to cover future pension payments. The other portfolio is intended to help finance upcoming investments through regular, albeit moderate, divestments. The market value of these assets currently exceeds Swedish krona 11 billion and has grown significantly in recent years, driven by substantial allocations from cash flow surpluses and strong investment returns. We apply haircuts on these assets based on the underlying risk in mutual funds. Owing to the region's sizeable buffers, we estimate that its liquidity sources cover its maturing debt several times. Moreover, we believe the region has strong access to external financing, which--for now--mainly comes from its membership of Kommuninvest.

**Region Uppsala Selected Indicators**

| Mil. SEK | 2023 | 2024 | 2025 | 2026bc | 2027bc | 2028bc |
|---|---|---|---|---|---|---|
| Operating revenue | 23,575 | 24,741 | 25,173 | 25,400 | 26,313 | 27,201 |
| Operating expenditure | 21,866 | 22,131 | 23,283 | 23,528 | 24,574 | 25,249 |
| Operating balance | 1,709 | 2,610 | 1,890 | 1,872 | 1,739 | 1,951 |
| Operating balance (% of operating revenue) | 7.3 | 10.6 | 7.5 | 7.4 | 6.6 | 7.2 |
| Capital revenue | 44 | 25 | 14 | 0 | 0 | 0 |
| Capital expenditure | 1,045 | 1,029 | 768 | 1,149 | 1,331 | 1,811 |
| Balance after capital accounts | 708 | 1,606 | 1,136 | 723 | 408 | 141 |
| Balance after capital accounts (% of total revenue) | 3.0 | 6.5 | 4.5 | 2.9 | 1.6 | 0.5 |
| Debt repaid | 24 | 325 | 300 | 17 | 93 | 80 |
| Gross borrowings | 80 | 0 | 81 | 17 | 93 | 189 |
| Balance after borrowings | 1,051 | 880 | 844 | 723 | 408 | 250 |
| Direct debt (outstanding at year-end) | 1,190 | 847 | 608 | 589 | 570 | 662 |
| Direct debt (% of operating revenue) | 5.1 | 3.4 | 2.4 | 2.3 | 2.2 | 2.4 |
| Tax-supported debt (outstanding at year-end) | 1,448 | 947 | 798 | 779 | 760 | 852 |
| Tax-supported debt (% of consolidated operating revenue) | 6.1 | 3.8 | 3.2 | 3.1 | 2.9 | 3.1 |
| Interest (% of operating revenue) | 0.0 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 |
| Local GDP per capita ($) | -- | -- | -- | -- | -- | -- |
| National GDP per capita ($) | 55,029.0 | 57,781.7 | 63,898.7 | 69,698.6 | 71,276.3 | 72,821.6 |

**Region Uppsala Selected Indicators**

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.

**Region of Uppsala--Rating Component Scores**

| Key rating factors | Scores |
|---|---|
| Institutional framework | 1 |
| Economy | 1 |
| Financial management | 1 |
| Budgetary performance | 2 |
| Liquidity | 1 |
| Debt burden | 1 |
| Stand-alone credit profile | aaa |
| Issuer credit rating | AAA |

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, Oct. 13, 2026. An interactive version is available at 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, July 15, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings - February 16, 2011, Feb. 16, 2011

# Related Research

- Institutional Framework Assessments For Local And Regional Governments Outside Of The U.S., Sept. 21, 2026
- Sweden 'AAA/A-1+' Ratings Affirmed; Outlook Stable, June 5, 2026
- Subnational Government Outlook 2026: The Nordics Face Credit Tests With Rising Investment, Jan. 19, 2026

- Institutional Framework Assessment: Swedish Municipalities And Regions Are Shifting Capex To Replace Aging Infrastructure, Dec. 11, 2025
- Water Woes: Swedish Municipalities Face Rising Infrastructure Challenges, Nov. 14, 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"). 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 Rating Component Scores 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").

# Ratings List

| **Ratings List** | |
|---|---|
| **New Rating** | |
| Uppsala (Region of) | |
| Issuer Credit Rating | AAA/Stable/A-1+ |

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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