Vend Marketplaces ASA

Norway, Business Services

Issuer
BBB+

Outlook
Stable

Short-term debt
S-2

Senior unsecured debt
BBB+

Lead Analyst/s

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Related methodologies

General Corporate Rating Methodology, Feb 2025
European Business and Consumer Services Rating Methodology , Jan 2025

Rating composition

Business risk profile		
Industry risk profile	BB	BBB-
Competitive position	BBB	
Financial risk profile		
Credit metrics	A	A
Liquidity	+/-0 notches	
Standalone credit assessment		**BBB+**
Supplementary rating drivers		
Financial policy	+/-0 notches	+/-0 notches
Governance & structure	+/-0 notches	
Parent/government support	+/-0 notches	
Peer context	+/-0 notches	
Issuer rating		**BBB+**

Key metrics

			Scope estimates	
Scope credit ratios*	**2023**	**2024**	**2025E**	**2026E**
Scope-adjusted EBITDA interest cover	5x	21x	72x	22x
Scope-adjusted debt/EBITDA	4.5x	Net cash	0.5x	0.7x
Scope-adjusted funds from operations/debt	22%	Net cash	199%	132%
Scope-adjusted free operating cash flow/debt	7%	Net cash	95%	84%
Liquidity	>200%	>200%	No ST debt	>200%

Rating sensitivities

The upside scenario for the rating and Outlook is:

- Adoption of conservative financial policy targeting leverage around 1x

The downside scenario for the rating and Outlook is:

- Leverage of above 2x

**All credit metrics refer to Scope-adjusted figures.*

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1. Key rating drivers

Positive rating drivers	Negative rating drivers
• Strong market position in online marketplaces with No. 1 position across different verticals in its core market, the Nordics. • Strong profitability in online marketplaces with higher average revenue per user than European peers. Overall profitability set to improve in the medium term. • Strong financial risk profile, currently in net cash position, and expected to remain strong over medium term notwithstanding capital return to shareholders • Steady cash flows from online businesses supporting investments in growth areas	• Low geographical diversification, with strong concentration in the Nordics, and Norway and Sweden contributing more than 85% of total turnover. • Exposure to increased competition from new entrants and divestment of news media means less diversification in income streams. • Online marketplace businesses susceptible to market fluctuations and economic downturns, as well as high competition and technological risks

2. Rating Outlook

The **Stable Outlook** reflects our expectation that the increased focus on the marketplace business may lead to higher profitability and significantly improved credit metrics. However, visibility is limited at the moment due to the ongoing reorganization and the resulting significant shareholder remuneration program. We expect leverage (debt/EBITDA) to remain below 1.5x in the medium term.

3. Corporate profile

Largest online marketplace operator in the Nordics

Vend Marketplaces ASA (Vend) is the developer of pure-play online marketplaces: FINN, Blocket, DBA, Bilbasen, Tori and Oikotie, based in the Nordics, and having operations in Norway, Sweden, Denmark, Finland and Poland. The company was formed after the split of the erstwhile Schibsted ASA (Schibsted), which was founded as a printing house by Christian Michael Schibsted in 1839. Schibsted split into two major entities – the marketplaces business (which operates as Vend) and the news media business was sold to The Tinius Trust (operating as Schibsted Media).

The company is listed on the Oslo Stock Exchange. As of Dec 31, 2024, the company had 3,884 employees.

4. Rating history

Date	Rating action/monitoring review	Issuer rating & Outlook
11 Jun 2025	Upgrade	BBB+/Stable
13 Jun 2024	Outlook Change	BBB/Positive
09 Jun 2023	Affirmation	BBB/Stable

5. Financial overview (financial data in NOK m)

Scope credit ratios	2023	2024	2025E	2026E
EBITDA interest cover	5x	21x	72x	22x
Debt/EBITDA	4.5x	Net cash	0.5x	0.7x
Funds from operations/debt	22%	Net cash	199%	132%
Free operating cash flow/debt	7%	Net cash	95%	84%
Liquidity	>200%	>200%	No ST debt	>200%
EBITDA				
Reported EBITDA	1,589	1,697	1,832	2,014
add: recurring dividends from associates	25	-	-	-
Other items (incl. one-offs)	-	-	-	-
EBITDA	**1,614**	**1,697**	**1,832**	**2,014**
Funds from operations (FFO)				
EBITDA	1,614	1,697	1,832	2,014
less: interest	(334)	(82)	(25)	(92)
less: cash tax paid	(327)	(190)	(145)	(174)
Other non-operating charges before FFO	655	(30)	-	-
Funds from operations	**1,608**	**1,395**	**1,662**	**1,748**
Free operating cash flow (FOCF)				
Funds from operations	1,608	1,395	1,662	1,748
Change in working capital	87	33	(17)	212
Non-operating cash flow	-	-	(13)	(13)
less: capital expenditures (net)	(1,043)	(765)	(693)	(693)
less: lease amortisation	(147)	(143)	(143)	(143)
Free operating cash flow	**505**	**520**	**795**	**1,111**
Interest				
Net cash interest per cash flow statement	320	70	13	80
add: other items (pension interest)	14	12	12	12
Interest	**334**	**82**	**25**	**92**
Debt				
Reported financial (senior) debt	7,888	3,880	3,880	3,380
less: cash and cash equivalents	(1,279)	(5,545)	(3,398)	(2,407)
add: pension adjustment	623	353	353	353
Debt	**7,232**	**(1,312)**	**835**	**1,326**

6. Environmental, social and governance (ESG) profile[1]

Environment	Social	Governance
Resource management (e.g. raw materials consumption, carbon emissions, fuel efficiency)	Labour management	Management and supervision (supervisory boards and key person risk)
Efficiencies (e.g. in production)	Health and safety (e.g. staff and customers)	Clarity and transparency (clarity, quality and timeliness of financial disclosures, ability to communicate)
Product innovation (e.g. transition costs, substitution of products and services, green buildings, clean technology, renewables)	Clients and supply chain (geographical/product diversification)	Corporate structure (complexity)
Physical risks (e.g. business/asset vulnerability, diversification)	Regulatory and reputational risks	Stakeholder management (shareholder payouts and respect for creditor interests)

ESG factors: credit-positive credit-negative credit-neutral

Credit-neutral ESG profile

Vend has established frameworks and routines regarding reporting of ESG impacts under the relevant EU regulations. However, most of the company's operations are not subject to these regulations. A substantial portion of Vend's operations revolves around circularity, as used items are sold through their marketplaces instead of potentially being discarded. We positively note these elements of the issuer's operations but consider the overall impact credit neutral.

[1] These evaluations are not mutually exclusive or exhaustive as ESG factors may overlap and evolve over time. We only consider ESG factors that are credit-relevant, i.e. those that have a discernible, material impact on the rated entity's cash flow and, by extension, its credit quality.

7. Business risk profile: BBB-

Industry risk profile: BB

The industry risk profile for Vend is based partly on the business services industry, with an asset-light balance sheet, and having medium cyclicality, low entry barriers and medium substitution risk. As a result, Vend's overall industry risk profile is capped at BB.

Leading player in digital marketplaces in the Nordics

Vend's business risk profile continues to benefit from its very strong market positions in the Nordic region and higher-than-industry average revenue per user (ARPU). The company is the market leader in several countries through a portfolio of well-known brands in digital marketplaces such as FINN, Blocket etc.

Vend has a particularly strong and unique position in the Nordics, as it is able to reach an estimated 80% of inhabitants in Norway and Sweden per week. It has a high frequency of consumer interactions and is ranked number one digital marketplace Nordics in terms of interaction, with over 1 billion monthly site visits. Vend's online marketplaces generally occupy the number one position across the geographies that it operates in, especially FINN in Norway (brand awareness > 90%) and Blocket in Sweden. As a result, Vend's online marketplaces are able to charge higher prices compared to competitors, leading to elevated ARPU.

Limited geographical diversification

Vend's activities remain focused on the Nordics. In 2024, Norway generated 69%, Sweden 19%, Finland 3%, and Denmark 4% of revenue. This revenue dependency is somewhat mitigated by the region's economic strength and the technological savviness of the region. In addition, Vend has indirect participation in other major western markets via its Adevinta holdings, although at this time, its equity holding in Adevinta is held purely as a financial asset.

FINN.no and Blocket reach an estimated 80% of the population in Norway and Sweden. The company's overall business risk profile is limited by a lack of presence outside Nordics, which necessarily limits customer and supplier diversification on a global basis, however, near-universal presence in the Nordic markets ensures sufficient granularity and partly mitigates the disadvantages.

Extremely well-known brands amongst Nordic online space

Vend continues to benefit from well-known Nordic brands with high-quality attributes. The variety of services offered by Vend's brands, combined with its commanding position in the Nordic online marketplace segment, ensures repeat customers and listings. This enhances overall revenue stability and predictability. For business customers, Vend's products are often highly integrated with their operations since Vend's primary 'users' are their ultimate customers.

Profitability set to improve over 2025 and 2026

Following the sale of the news media business, Vend has achieved EBITDA margins in excess of 20% in 2023 (restated) and 2024 financials. In the remaining segments, Mobility, Jobs, and Real Estate all have very high margins (>35%), but the Recommerce business (which is currently in the investment stage), along with the Delivery vertical (break-even) reduce the overall margins to their current levels. Given the planned divestiture of the Delivery business, expected to be completed within the current fiscal year or by the first half of the next fiscal year, Vend's operating margins are projected to rise, reaching an estimated range of 28-30%. Further growth in EBITDA margins is expected to be achieved as losses in the Recommerce business are reduced.

8. Financial risk profile: A

Net cash position expected to be temporary; leverage to remain around 1x over medium term

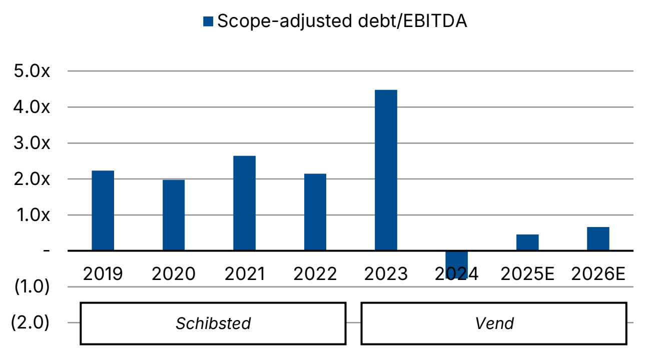
While erstwhile Schibsted had a moderate financial profile, maintaining a leverage (debt/EBITDA) of around 2-3x over an extended period, the issuer was in a net cash position as of December 2024 on account of the large cash inflow from the sale of the news media and Adevinta businesses. However, given the large scale of shareholder remuneration expected over 2025 and 2026, the net cash position is expected to be temporary. Nonetheless, Vend is expected to remain in a comfortable financial position over the medium term, with overall leverage below 1x.

Similarly, FFO/debt for erstwhile Schibsted was maintained at around 30%; this ratio has also improved significantly in 2024, and is expected to remain at above or around 100%, at least over next two years.

During this period, we do not expect any significant acquisitions that would alter the company's financial profile, as the current focus is on divesting existing ancillary businesses.

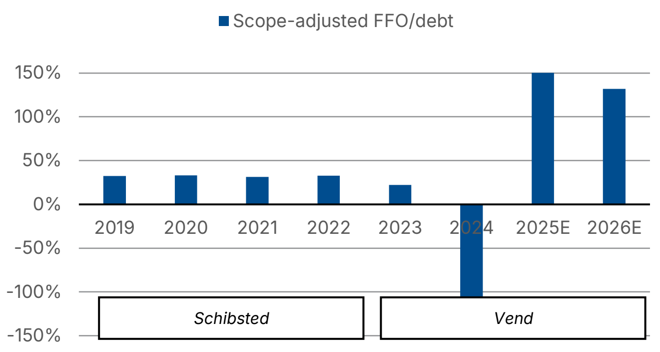
The group also has a significant financial asset: a 14% stake in an indirect parent of Adevinta, valued at over NOK 21 billion as of December 2024. Although the company currently has no need to monetize this holding, it provides significant financial flexibility.

Figure 1: Debt/EBITDA (2019-2026E)



Source: Vend, Scope

Figure 2: FFO/debt (2019-2026E)



Source: Vend, Scope

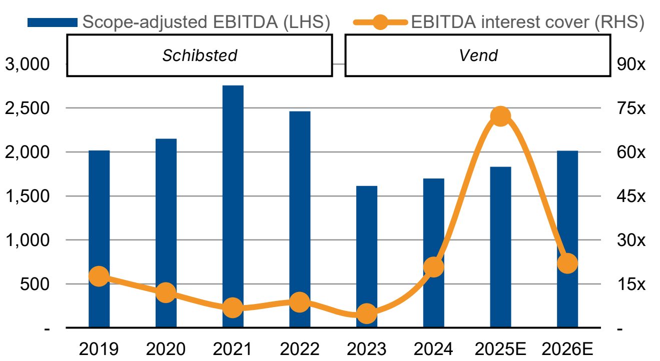
In terms of interest coverage too, erstwhile Schibsted's interest coverage had been well above 10x until 2021, when it temporarily dropped below that mark due to a combination of increased debt and higher interest expenses, before recovering in 2022. However, following the significant cash inflow in 2024, along with completion of deleveraging, interest coverage improved to over 20x during the year. Going forward, we expect the company's net interest outflow to be considerably lower in 2025 as we expect cash interest inflow (from cash and equivalents held during the year) to be a significant proportion of the interest outflow, leading to low overall net interest. Low net debt over the medium term is expected to result in overall interest coverage of above 20x over the next two to three years.

Interest coverage to remain strong at above 20x

Similar to other ratios, Vend's cash flow cover is expected to remain elevated in the near term while the company completes the process of returning excess cash to shareholders in the form of dividends and share repurchases. In addition, we do not expect any large acquisitions given that the company's focus currently is on divestment of ancillary businesses. Hence, cash flow cover is expected to remain elevated till at least 2026.

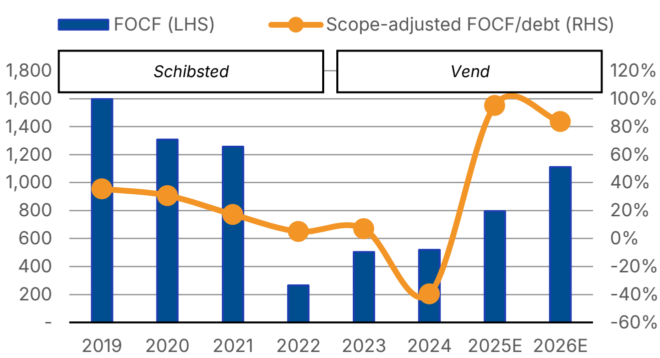
Cash flow cover expected to remain elevated

Figure 3: EBITDA (NOKm) and Interest Coverage (2019-2026E)



Source: Vend, Scope

Figure 4: FOCF(NOKm) and FOCF/debt (2019-2026E)



Source: Vend, Scope

Liquidity is adequate, with cash balances of NOK 5.5bn available at YE2024, further enhanced by over NOK 3.5 billion in unutilised, committed credit lines and projected positive operating free cash

Adequate liquidity

flows. We forecast that Vend will retain ample liquidity for the next few years, with satisfactory free operating cash flow and good access to capital markets.

Table 1. Liquidity sources and uses (in NOK m)

	2024	2025E	2026E
Unrestricted cash (t-1)	1,279	5,545	3,398
Open committed credit lines (t-1)	3,539	3,539	3,539
FOCF (t)	663	795	1,111
Short-term debt (t-1)	780	-	1,000
Liquidity	>200%	No ST debt	>200%

Source: Scope

9. Supplementary rating drivers: +/- 0 notches

Supplementary rating drivers have no impact on the issuer rating. However, the financial policy adopted by the company (following the completion of all divestments and subsequent capital return) in terms of leverage will be a significant rating driver for the company's ratings going forward.

10. Debt ratings

All debt is issued by Vend. The senior unsecured debt rating has been upgraded to BBB+, in line with the issuer rating. This is based on the company's standard bond documentation, which includes a pari passu charge and negative pledge.

Senior unsecured debt rating: BBB+

The S-2 short-term debt rating has been affirmed, based on the underlying issuer rating of BBB+/Stable, as well as the company's strong short-term debt coverage and good access to bank and capital markets.

Short-term debt rating: S-2

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