

**Lauritz.com Group A/S – Interim report January – September 2021**

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In the third quarter of 2021 the business of Lauritz.com group continued the growth in revenue. Revenue growth in Q3 was 7 percent despite Auction Turnover declining by 8 percent. This shift is a result of our focus on improving the revenue structure of the business, and due to discounts given in Q3 last year to boost business in the early part of the Covid-19 crisis.

Following the sale completed in May 2021, the group is now fully focussed on the development of the Lauritz brand internationally.

**Development in EBITDA**

For the period January to September auction turnover growth is 7 percent and revenue growth for the continuing business is 13 percent compared to 2020, whereas operating cost has increased by 3 percent.

EBITDA in the 9-month period increased by DKK 8.3m for the continuing business to DKK -0.2m (-8.5m) compared to last year.

Net cash flow for the continuing business is DKK -0.4m (4.9m). The change is mainly driven by the improvement in EBITDA and changes in working capital items.

**Future organization**

To bring Lauritz.com to the next level as to turnover and earnings on shorter and longer terms, including expected roll out of new business areas, a future central management team has been defined. The new Country Manager Denmark and the new CTO onboarded during the first half of 2021 and a new CMO is planned to join in Q4.

**Commercial initiatives**

Our continued focus on sales management, business control and execution both internally in the headquarter and in all auction houses is showing results.

The comprehensive optimization process that all auction houses have gone through in terms of logistics and handling of the auction supply chain, has released resources for intensified sales activities focusing on the local evaluation and sourcing of items for auction.

In terms of marketing activities, we are continuously intensifying our digital foot print, showing positive effects and strengthening our position within international, national and local communities interested in selling and buying sustainable vintage items of high quality within art, design and collectables.

## **Financing**

The group is funded by a bond. Currently the bond has an outstanding debt of SEK 155m and an interest rate of 4%.

When the last part of the payment for the sold business is received in May 2022 (SEK 15m), a repayment of SEK 15m will be made, after which the remaining bond debt will be a standing loan of SEK 140m until maturity in December 2024.

## **Impact on financial reporting due to the sale of activities**

The presentation of the business in the financial statements is impacted by the sale of Stockholms Auktionsverk, the auction house in Karlstad Hammarö and 3 auction houses in Germany. The sold business is presented as discontinued operations in the statement of comprehensive income, balance sheet and statement of cash flow. The sold part of the business was reclassified to discontinued operations and the value of the assets included as assets available for sale has been impaired to reflect the achieved sales price.

The sale of Stockholms Auktionsverk, the auction house in Karlstad Hammarö and 3 auction houses in Germany result in an accounting loss as the book value of the sold activities is higher than the achieved sales price, resulting in an impairment loss of DKK 23m. This loss is included in Result from discontinued operations primarily in 2020.

## **Guidance for 2021**

Following the sale of Stockholms Auktionsverk, the auction house in Karlstad Hammarö and 3 auction houses in Germany our guidance for the continuing business is unchanged at:

- Growth in Auction Turnover of 5-15 percent
- Growth in Revenue of 10-20 percent
- EBITDA of DKK 0-8m.

**Bengt Sundström, Chairman of the board**

**Mette Margrethe Rode Sundstrøm, CEO**

**Preben Vinkler Lindgaard, CFO**

## Highlights Q3 2021

### July – September 2021 (continuing operations)

- Revenue increase of 7 percent.
- Cost decrease of 6 percent compared to last year.
- EBITDA increased by DKK 3.7m to DKK 2.5m (-1,2m).
- Auction Turnover decrease of 8 percent.
- Average knockdown price in Q3 of DKK 2,892 (2,969).
- Number of knockdowns 32,434 (34,491).

### January – September 2021 (continuing operations)

- Revenue increase of 13 percent.
- Cost increase by 3% compared to last year.
- EBITDA improved by DKK 8.3m to DKK -0.2m (-8.5m).
- Auction Turnover increase of 7 percent.
- Average knockdown price in the first 9 months of 2021 was DKK 2,812 (2,891).
- Number of knockdowns up by 10% to 108,489 (98,650).

### Lauritz.com Group A/S key figures (continuing operations)

| 000 DKK                                     | July – September |         | January – September |         |
|---|------------------|---------|---------------------|---------|
|   | 2021             | 2020    | 2021                | 2020    |
| Auction turnover                            | 93,788           | 102,398 | 305,057             | 285,216 |
| Number of Knockdowns (excl. QXL)            | 32,434           | 34,491  | 108,489             | 98,650  |
| Average Knockdown price (excl. QXL),<br>DKK | 2,892            | 2,969   | 2,812               | 2,891   |
| Revenue                                     | 31,165           | 29,258  | 95,585              | 84,615  |
| EBITDA                                      | 2,498            | -1,237  | -190                | -8,476  |
| Auction Turnover Margin <sup>1</sup>        | 2.7%             | -1.2%   | -0.1%               | -3.0%   |
| Profit                                      | -415             | -3,460  | -8,780              | -17,247 |
| Earnings per share, DKK                     | -0.010           | -0,085  | -0.216              | -0.424  |
| Net cash flow                               | 5,685            | 5,758   | -443                | 4,949   |

<sup>1</sup> Auction Turnover Margin = EBITDA/Auction Turnover.

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