

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

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In the first quarter of 2021 the business of Lauritz.com group continued the growth shown since July 2020. Growth is high in the continuing business as well as in the part of the business that has been sold in May 2021.

The M&A process has been finalised in May 2021 with a sale of Stockholms Auktionsverk, the auction house in Karlstad Hammarö and 3 auction houses in Germany. Following the sale, the group is now fully focussed on the development of the Lauritz brand internationally.

**Development in EBITDA**

Auction Turnover for the total business has grown by 28 percent compared to same period last year (where Covid-19 impacted the Nordic region significantly in the period after March 10). For the continuing business Auction Turnover growth compared to Q1 2020 is 20 percent.

The auction revenue has increased by 25 percent compared to last year for the total business, and 16 percent for the continuing business, whereas the operating cost has only increased by 3 percent for the total business and by 0.5 percent for the continuing business.

EBITDA in the first quarter of 2020 increased by DKK 4.2m for the continuing business to DKK 0.1m (-4.1m).

The Cash Flow from Operations for the continuing business in Q1 has increased to DKK 5.4m (-1.8m). The change is mainly driven by the improvement in EBITDA and change in working capital.

**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. Thus, a new Country Manager Denmark has onboarded the central management team in January 2021, a new CTO joined in April, while a new CMO is planned to join by September.

**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, and the rebound is significantly exceeding the losses driven by Covid-19 in Q1 2020.

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**

Towards the end of 2019 a review of the capital structure of the group was carried out, resulting in the M&A process that commenced in April 2020 and was finalised in May 2021.

The outcome of the process is that the activities in Sweden, Finland, and Germany has been sold. Most of the proceeds from the sale will be used to reduce the debt of the group by approximately DKK 60m in June 2021 and a further DKK 11m in May 2022, after which the remaining bond debt will be DKK 102m. Further, the terms of the remaining bond debt have been adjusted, lowering the interest rate, and changing the amortization so the bond debt is a standing loan until the maturity date in December 2024.

## **Impact on 2020 financial reporting due to the sale of activities**

The presentation of the business in the financial statements is impacted by the sale as 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 has been 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 the Swedish, Finnish, and German subsidiaries 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 29m. This loss is included in 2020 in Result from discontinued operations.

## **Guidance for 2021**

Following the sale of the Swedish, Finnish, and German activities 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 Q1 2021

### January – March 2021 (continuing operations)

- Auction Turnover increase of 20 percent.
- Revenue increase of 16 percent.
- Average knockdown price in Q1 was DKK 2,897 (2,756).
- Number of knockdowns 39,670 (34,635).
- Cost in line with last year.
- EBITDA improved by DKK 4.2m to DKK 0.1m (-4.1m).
- Profit/loss for the period is impacted less by exchange rate gains than last year.
- Cash flow from operations improved by DKK 7.2m compared to Q1 in 2020.

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

DKK million	January – March	
	2021	2020
Auction turnover	114,910	95,448
Revenue	32,435	28,043
Number of Knockdowns (excl. QXL)	39,670	34,635
Average Knockdown price (excl. QXL)	2,897	2,756
EBITDA	138	-4,106
Auction Turnover Margin <sup>1</sup>	0.1%	-3.6%
Profit	-960	516
Earnings per share (DKK)	-0.024	0.013
Cash flow from operations	5,426	-1,776

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

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